

Government That Works!

NEW JERSEY DEPARTMENT OF THE TREASURY

LOCAL GOVERNMENT BUDGET REVIEW

ROSELLE PARK BOARD OF EDUCATION

DONALD T. DiFRANCESCO

Acting Governor

PETER R. LAWRANCE

Acting State Treasurer

DECEMBER, 2001



GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE

The Report of the Roselle Park Board of Education

New Jerseyans deserve the best government their tax dollars can provide. Efficiency in government and a common sense approach to the way government does business, both at the state and at the local level, are important to Acting Governor Donald T. DiFrancesco. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall, or school board. Government on all levels must stop thinking that money is the solution to their problems and start examining how they spend the money they now have. It is time for government to do something different.

Of major concern is the rising cost of local government. There is no doubt that local government costs and the property taxes that pay for them have been rising steadily over the past decade. The Local Government Budget Review (LGBR) program was created in 1994 by former Governor Whitman, marking the first time the state worked as closely with towns to examine what is behind those costs. The Local Government Budget Review (LGBR) program's mission is simple: to help local governments and school boards find savings and efficiencies without compromising the delivery of services to the public.

The LGBR program utilizes an innovative approach combining the expertise of professionals, primarily from the Departments of Treasury, Community Affairs, and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a comprehensive management review and consulting service provided by the state at no cost to them. To find those "cost drivers" in local government, teams review all aspects of local government operation, looking for ways to improve efficiency and reduce costs.

In addition, teams also document those state regulations and mandates which place burdens on local governments without value-added benefits and suggest, on behalf of local officials, which ones should be modified or eliminated. Teams also look for "best practices" and innovative ideas that deserve recognition and that other communities may want to emulate.

Based upon the dramatic success of the program and the number of requests for review services, in July, 1997, the program was expanded, tripling the number of teams in an effort to reach more

communities and school districts. The ultimate goal is to provide assistance to local government that results in meaningful property tax relief to the citizens of New Jersey.

THE REVIEW PROCESS

In order for a town, county, or school district to participate in the Local Government Budget Review program, a majority of the elected officials must request the help of the review team through a resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the review team, and agree to an open public presentation and discussion of the review team's findings and recommendations.

As part of the review, team members interviewed elected officials, as well as employees, appointees, members of the public, contractors, and any other appropriate individuals. The review teams examined current collective bargaining agreements, audit reports, public offering statements, annual financial statements, the municipal code, independent reports and recommendations previously developed for the governmental entities, and other relevant information. The review team physically visits and observes the work procedures and operations throughout the governmental entity to observe employees in the performance of their duties.

In general, the review team received the full cooperation and assistance of all employees and elected officials. That cooperation and assistance was testament to the willingness on the part of most, to embrace recommendations for change. Those officials and employees who remain skeptical of the need for change or improvement will present a significant challenge for those committed to embracing the recommendations outlined in this report.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or the tax rate. In particular, the productivity enhancement values identified in this report do not necessarily reflect actual cash dollars to the municipality, but do represent the cost of the entity's current operations and an opportunity to define the value of improving upon such operations. The estimates have been developed in an effort to provide the entity an indication of the potential magnitude of each issue and the savings, productivity enhancement, or cost to the community. We recognize that all of these recommendations cannot be accomplished immediately and that some of the savings will occur only in the first year. Many of these suggestions will require negotiations through the collective bargaining process. We believe, however, that these estimates are conservative and achievable.

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
ROSELLE PARK BOARD OF EDUCATION**

Technology

The team recommends that the district replace cellular phones with less expensive walkie-talkies, saving \$780.

Instruction

The district should consider reducing the number of special education classroom aides, saving \$11,970.

The team recommends that the district begin the process of participating in SEMI and EPSDT, yielding a revenue enhancement of \$6,000.

Business Office Operation

The district should consider investing a larger portion of their money in the New Jersey Cash Management Fund (NJCMF), saving \$5,000.

The team also recommends that the district consider using a private payroll provider, at an expense of \$18,000.

Transportation

The team recommends that the district seek private contracts to reduce the route cost in 2000-01, saving \$24,400.

Food Service

The team recommends that the district negotiate with its bank to have the \$15 monthly maintenance fee waived on the cafeteria checking account, saving \$180.

The district should consider eliminating the middle school food service director position, saving \$17,000. The district should also consider raising lunch prices to reflect the current state guidelines, saving \$9,115.

The team also recommends that the district use retain earnings to purchase new equipment in priority order, at a one-time expense of \$21,130.

Collective Bargaining Issues

The team recommends that the district implement the negotiated agreement for elementary lunchtime supervision at no cost to the taxpayer, potentially saving \$22,300.

By renegotiating a 20% co-pay of dependent coverage, 50% premium co-pay for its prescription plan, and 50% premium sharing for dental benefits, the district could potentially save \$317,000.

**COMPARISON OF BUDGET APPROPRIATION, STATE AID
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN
THE ROSELLE PARK BOARD OF EDUCATION**

<u>Areas Involving Monetary Recommendations</u>	<u>One-time Savings/ Expense</u>	<u>Annual Savings/ Expense</u>	<u>*Potential Savings</u>	<u>Totals</u>
Technology				
Replace cellular phones with walkie-talkies		\$780		\$780
Instruction				
Reduce number of special education classroom aides		\$11,970		
Participate in SEMI and EPSDT programs		\$6,000		\$17,970
Business Office Operation				
Invest a larger portion of money into the NJCMF		\$5,000		
Contract for a private payroll provider		(\$18,000)		(\$13,000)
Transportation				
Seek private contracts to reduce route costs		\$24,400		\$24,400
Food Service				
Negotiate with bank to waive \$15 monthly maintenance fee		\$180		
Eliminate middle school food service director position		\$17,000		
Raise lunch prices to reflect current state guidelines		\$9,115		
Retain earnings to purchase new equipment	(\$21,130)			\$5,165
Collective Bargaining Issues				
Implement negotiated agreement for elementary lunchtime supervision			\$22,300	
Negotiate a 20% co-pay of dependent coverage			\$92,000	
Negotiate a 50% premium co-pay for prescription plan			\$114,000	
Negotiate a 50% premium sharing for dental benefits			\$111,000	

**COMPARISON OF BUDGET APPROPRIATION, STATE AID
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN
THE ROSELLE PARK BOARD OF EDUCATION**

<u>Areas Involving Monetary Recommendations</u>	<u>One-time Savings/ Expense</u>	<u>Annual Savings/ Expense</u>	<u>*Potential Savings</u>	<u>Totals</u>
Total Recommended Savings	(\$21,130)	\$56,445	\$339,300	\$35,315
*\$339,300 not included in savings of \$35,315.				
Total Amount Raised for School Tax				\$11,376,984
Savings as a % of School Tax				0%
Total Budget				\$18,967,450
Savings as a % of Budget				0%
Total State Aid				\$7,393,796
Savings as a % of State Aid				0%

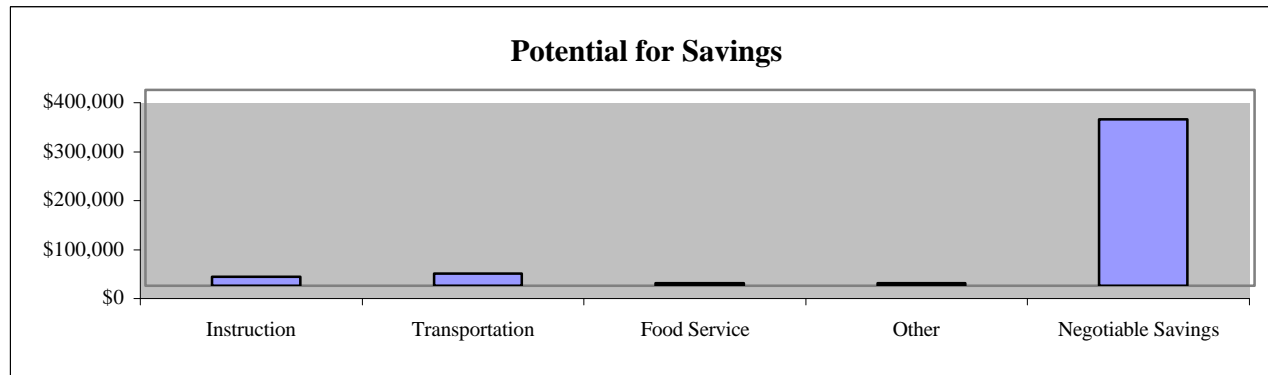


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COMMUNITY OVERVIEW

Roselle Park is a residential community located in Union County, New Jersey. The first record of permanent, non Native-American settlement in the area dates from 1700. An act of the New Jersey legislature created Roselle Park in 1901. The U.S. Census population of Roselle Park in 2000 was 13,281, an increase of 3.72% in total population from 1990. In 2000, 80.87% of the population was white, an 11.26% decrease in percentage from 1990. The Roselle Park Hispanic population increased 9.04% over the 1990-00 period. The “Other” ethnic category increased 5.11%. The percentage of the Roselle Park population that is Asian increased 4.27%. Blacks represented 2.71% of the community, a 10-year percentage increase of 1.64%.

The community is compact, approximately one mile square. It contains a mixture of single family dwellings and low-rise apartment buildings. Local businesses are primarily located along state highway 28. There is a high sense of civic pride in Roselle Park. Many of the residents trace their roots in the community back several generations. An active recreation program, senior citizen activities, and many public library services contribute to a positive quality of life in Roselle Park. The recreation program makes extensive use of school facilities. An elected mayor and six council persons govern the municipality.

In 1901, the Roselle Park Board of Education began operations with an enrollment of 350 students. The public school system is directed by an elected board of education comprised of nine members. An appointed superintendent of schools handles the daily operation of the district. On October 15, 2000, the district had almost two thousand students housed in five schools. Projections indicate that the enrollment will continue to increase. This will cause problems since school buildings are already crowded.

During the 1998-99 school year, the board of education and its administration directed a budget of \$18.3 million. The Roselle Park Schools had 320 employees in the 2000-01 school year.

The New Jersey Department of Education has assigned each school district within the state to a district factor group (DFG). These categories are general indicators of the socioeconomic status of each district. DFG classifications have proven useful for comparative reporting of test results from New Jersey’s statewide testing programs and information about state education aid. The DFG designations, first developed in 1974, were last updated in 1992. Group designation is based on information from the census including: the percent of community population without a high school diploma, percent of population with some college attendance, occupations, population density, income, unemployment, and poverty. There are eight DFG groupings, starting with “A”, which designates the lowest socio-economic level. The groups continue with B, CD, DE, FG, GH, I, and J. District Factor Group “J” contains the 15 highest socio-economic districts in New Jersey. Roselle Park is assigned to District Factor Group “DE” along with 99 other districts.

I. BEST PRACTICES

A very important part of each Local Government Budget Review report is the best practices section. During the course of every review, each review team identifies procedures, programs, and practices, which are noteworthy and deserving of recognition. Best practices are presented to encourage replication in communities and schools throughout the state. By implementing these practices, municipalities and school districts can benefit from the Local Government Budget Review process and possibly save considerable expense on their own.

Just as we are not able to identify every area of potential cost savings, the review team cannot site every area of effective effort. The following are those best practices recognized by the team for their cost and/or service delivery effectiveness.

Modifications to the student day, and year, are made available by district programs such as WISE, Extended Day, and summer camp which save tax dollars since they provide less expensive local program options. Some of these program modifications are legally mandated, and are provided to Roselle Park students at reduced transportation and operational costs since students do not have to be sent out-of-district for these programs.

Some of the district's special education instructional staff split time between two schools. Assigning teaching staff to more than one building, which is facilitated by the small size of Roselle Park, is an efficient utilization of personnel. This shared staffing demonstrates a desire to provide services in the most cost-effective manner.

Roselle Park High School offers a unique Crisis Intervention Program that operates from the school nurse's office in conjunction with the social studies department. This student support service assists both mental and physical health needs. Volunteer teachers, the school nurse, and students who have completed crisis training as peer counselors provide assistance to students in need. The service enables the high school to help students deal with a wide range of issues through the varying skills of both staff and trained students. The Crisis Intervention Program is an effective use of local resources while providing a cross section of the school population with the opportunity to help those in need.

Roselle Park High School has a well-equipped facility for television broadcast and production. This popular learning lab enables students to hone their talents and learn new skills; both in simulated, as well as real-life broadcast situations. A wide variety of learning experiences are available to students seeking immediate entry into the broadcast industry, as well as for those who intend to continue in formal training after high school. Some students develop skill in the studio that may be used on a purely vocational basis. Students aid in telecasts of board of education meetings and other district activities.

The middle school and Roselle Park High School each has a coin-operated telephone accessible to the public. The district is not billed for these phones; indeed, the telephone company pays the district a commission based on monthly usage. School districts pay a fee to the telephone company for most public phones in school buildings. While the Roselle Park total dollar savings on pay phone charges is not great in amount, the fact that the district negotiated fee-less phones demonstrates a conscientious attitude toward limiting the expenditure of public funds.

II. OPPORTUNITIES FOR CHANGE/FINDINGS AND RECOMMENDATIONS

The purpose of this section of the review report is to identify opportunities for change and to make recommendations that will result in more efficient operations and financial savings to the school district and its taxpayers.

In its study, the review team found that the district makes a conscious effort to control costs and to explore areas of cost saving efficiencies in its operations. Many of these are identified in the best practices section of this report. Others will be noted as appropriate in the findings to follow. The district is to be commended for its efforts. The review team did find areas where additional savings could be generated and has made recommendations for change that will result in reduced costs or increased revenue.

Where possible, a dollar value has been assigned to each recommendation to provide a measure of importance or magnitude to illustrate cost savings. The time it will take to implement each recommendation will vary. It is not possible to expect the total projected savings to be achieved in a short period of time. Nevertheless, the total savings and revenue enhancements should be viewed as an attainable goal. The impact will be reflected in the immediate budget, future budgets, and the tax rate(s). Some recommendations may be subject to collective bargaining considerations and, therefore, may not be implemented until the next round of negotiations. The total savings may lead to a reduction in tax rates resulting from improvements in budgeting, cash management, cost control, and revenue enhancement.

COMPARATIVE ANALYSIS

LGBR uses various methods to analyze school districts. Many of the recommendations in this report are based upon comparative analyses of similar type districts utilizing New Jersey Department of Education data and data from the district's comprehensive financial audit. Districts that are similar in type (e.g., K-12), size, socio-economic characteristics (DFG), and appropriate statewide averages or medians are employed in the analysis. The most recent comparative and audit data that is used in this report was compiled for school year 1998-99. Other information is obtained by reviewing district documents and identifying benchmarks or related data from various state agencies, state education associations, publications, and private industry.

The school districts that were used for detailed comparison with the Roselle Park District were Collingswood, Hawthorne, North Arlington, and Somerville. These districts are similar in terms of type (K-12), size, and district factor group characteristics.

Comparison of Revenue

Revenues 1998-99	<u>Roselle Park</u>		<u>Collingswood</u>		<u>Hawthorne</u>		<u>North Arlington</u>		<u>Somerville</u>	
General Fund										
Local Tax Levy	\$10,510,531	59.9%	\$8,242,372	41.4%	\$17,486,340	85.2%	\$10,655,309	81.2%	\$11,871,038	59.6%
State Aid	\$6,916,477	39.4%	\$10,019,115	50.4%	\$2,913,768	14.2%	\$2,292,831	17.5%	\$3,321,555	16.7%
Federal Aid	\$0	0.0%	\$5,458	0.0%	\$0	0.0%	\$0	0.0%	\$6,381	0.0%
Trans. Fees from Other LEA's	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Tuition	\$0	0.0%	\$1,391,431	7.0%	\$0	0.0%	\$53,326	0.4%	\$4,607,508	23.1%
Interest on Investments	\$98,355	0.6%	\$0	0.0%	\$0	0.0%	\$106,562	0.8%	\$0	0.0%
Miscellaneous	\$18,696	0.1%	\$233,282	1.2%	\$122,100	0.6%	\$19,810	0.2%	\$115,055	0.6%
Total General Fund	\$17,544,059	100.0%	\$19,891,658	100.0%	\$20,522,208	100.0%	\$13,127,838	100.1%	\$19,921,537	100.0%
Special Revenue Fund										
State Aid	\$363,976	46.9%	\$437,270	47.7%	\$353,206	55.5%	\$506,842	45.6%	\$1,700,540	84.1%
Federal Aid	\$338,617	43.6%	\$474,737	51.8%	\$266,995	42.0%	\$597,429	53.7%	\$320,683	15.9%
Other	\$74,249	9.6%	\$5,232	0.6%	\$15,771	2.5%	\$8,016	0.7%	\$0	0.0%
Total Special Revenue Fund	\$776,842	100.1%	\$917,239	100.1%	\$635,972	100.0%	\$1,112,287	100.0%	\$2,021,223	100.0%
Capital Projects Fund										
Interest on Investments	\$0	0.0%	\$0	0.0%	\$5,017	100.0%	\$0	0.0%	\$0	0.0%
Total Capital Projects Fund	\$0	0.0%	\$0	0.0%	\$5,017	100.0%	\$0	0.0%	\$0	0.0%
Debt Service Fund										
Local Tax Levy	\$1,850	69.4%	\$319,677	61.4%	\$173,552	100.0%	\$614,660	98.4%	\$277,192	94.8%
State Aid	\$814	30.6%	\$200,961	38.6%	\$0	0.0%	\$9,976	1.6%	\$15,108	5.2%
Interest on Investments	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Total Debt Service Fund	\$2,664	100.0%	\$520,638	100.0%	\$173,552	100.0%	\$624,636	100.0%	\$292,300	100.0%
Fiduciary Fund Type										
Miscellaneous	\$0	0.0%	\$16,762	26.6%	\$32,728	100.0%	\$0	0.0%	\$292	100.0%
Interest on Investments	\$0	0.0%	\$46,355	73.4%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Total Fiduciary Fund Type	\$0	0.0%	\$63,117	100.0%	\$32,728	100.0%	\$0	0.0%	\$292	100.0%
Total General Fund	\$17,544,059	95.7%	\$19,891,658	93.0%	\$20,522,208	96.0%	\$13,127,838	88.3%	\$19,921,537	89.6%
Total Special Revenue Fund	\$776,842	4.2%	\$917,239	4.3%	\$635,972	3.0%	\$1,112,287	7.5%	\$2,021,223	9.1%
Total Capital Projects Fund	\$0	0.0%	\$0	0.0%	\$5,017	0.0%	\$0	0.0%	\$0	0.0%
Total Debt Service Fund	\$2,664	0.0%	\$520,638	2.4%	\$173,552	0.8%	\$624,636	4.2%	\$292,300	1.3%
Total Fiduciary Fund Type	\$0	0.0%	\$63,117	0.3%	\$32,728	0.2%	\$0	0.0%	\$292	0.0%
Total Revenues (All Funds)	\$18,323,565	100%	\$21,392,652	100%	\$21,369,477	100%	\$14,864,761	100%	\$22,235,352	100%
Local Tax Levy (General Fund)	\$10,510,531	57.4%	\$8,242,372	38.5%	\$17,486,340	81.8%	\$10,655,309	71.7%	\$11,871,038	53.4%
Local Tax Levy (Debt Service)	\$1,850	0.0%	\$319,677	1.5%	\$173,552	0.8%	\$614,660	4.1%	\$277,192	1.2%
Total Local Tax Levy	\$10,512,381	57.4%	\$8,562,049	40.0%	\$17,659,892	82.6%	\$11,269,969	75.8%	\$12,148,230	54.6%
Total Other Local Revenues	\$191,300	1.0%	\$1,693,062	7.9%	\$175,616	0.8%	\$187,714	1.3%	\$4,722,855	21.2%
State Aid (General Fund)	\$6,916,477	37.7%	\$10,019,115	46.8%	\$2,913,768	13.6%	\$2,292,831	15.4%	\$3,321,555	14.9%
State Aid (Special Revenue)	\$363,976	2.0%	\$437,270	2.0%	\$353,206	1.7%	\$506,842	3.4%	\$1,700,540	7.6%
State Aid (Debt Service)	\$814	0.0%	\$200,961	0.9%	\$0	0.0%	\$9,976	0.1%	\$15,108	0.1%
Total State Aid	\$7,281,267	39.7%	\$10,657,346	49.7%	\$3,266,974	15.3%	\$2,809,649	18.9%	\$5,037,203	22.6%
Federal Aid (General Fund)	\$0	0.0%	\$5,458	0.0%	\$0	0.0%	\$0	0.0%	\$6,381	0.0%
Federal Aid (Special Revenue)	\$338,617	1.8%	\$474,737	2.2%	\$266,995	1.2%	\$597,429	4.0%	\$320,683	1.4%
Total Federal Aid	\$338,617	1.8%	\$480,195	2.2%	\$266,995	1.2%	\$597,429	4.0%	\$327,064	1.4%
Total Revenues (All Sources)	\$18,323,565	100%	\$21,392,652	100%	\$21,369,477	100%	\$14,864,761	100.0%	\$22,235,352	100%

Source: School districts' 1998-99 Comprehensive Annual Financial Report

The following table compares general fund expenditures:

Comparison of General Fund Expenditures

Actual Current Expense	<u>Roselle Park</u>		<u>Collingswood</u>		<u>Hawthorne</u>		<u>North Arlington</u>		<u>Somerville</u>	
Regular Program Instruction	\$6,756,522	37.7%	\$6,515,368	33.1%	\$7,503,800	35.3%	\$4,459,770	32.8%	\$6,749,089	34.3%
Special Education	\$653,287	3.6%	\$1,117,336	5.7%	\$1,357,641	6.4%	\$602,223	4.4%	\$1,192,772	6.1%
Basic Skills-Remedial	\$347,897	1.9%	\$173,045	0.9%	\$586,662	2.8%	\$192,116	1.4%	\$110,158	0.6%
Bilingual Education	\$186,999	1.0%	\$72,236	0.4%	\$0	0.0%	\$172,334	1.3%	\$136,240	0.7%
Vocational Programs	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Sponsored Co-Curricular Activities	\$109,293	0.6%	\$100,919	0.5%	\$82,897	0.4%	\$40,210	0.3%	\$141,414	0.7%
Sponsored Athletics	\$352,324	2.0%	\$395,785	2.0%	\$267,763	1.3%	\$196,296	1.4%	\$532,843	2.7%
Community Service Programs	\$56,196	0.3%	\$0	0.0%	\$0	0.0%	\$20,772	0.2%	\$0	0.0%
Other Instructional Programs	\$0	0.0%	\$0	0.0%	\$100,405	0.6%	\$0	0.0%	\$0	0.0%
Total Instructional Cost	\$8,462,518	47.1%	\$8,374,689	42.6%	\$9,899,168	46.8%	\$5,683,721	41.8%	\$8,862,516	45.1%
Tuition (Out-of-District)										
Undistributed Expense - Instruction	\$747,238	4.2%	\$1,383,717	7.0%	\$811,548	3.8%	\$768,282	5.6%	\$841,933	4.3%
Attendance & Social Work Services	\$15,799	0.1%	\$21,433	0.1%	\$0	0.0%	\$0	0.0%	\$25,387	0.1%
Health Service	\$247,857	1.4%	\$200,155	1.0%	\$240,243	1.1%	\$141,125	1.0%	\$206,336	1.0%
Support Srvs.-Students-Related	\$192,046	1.1%	\$108,206	0.5%	\$201,477	0.9%	\$120,348	0.9%	\$137,343	0.7%
Support Srvs.-Students-Extraordinary	\$81,366	0.5%	\$50,905	0.3%	\$0	0.0%	\$30,000	0.2%	\$0	0.0%
Support Services-Regular Students	\$524,834	2.9%	\$560,784	2.8%	\$384,080	1.8%	\$360,907	2.7%	\$363,246	1.8%
Support Services-Special Services	\$436,475	2.4%	\$491,780	2.5%	\$639,985	3.0%	\$292,371	2.1%	\$503,433	2.6%
Improvement of Instruction Services	\$172,163	1.0%	\$142,205	0.7%	\$261,363	1.2%	\$20,848	0.2%	\$0	0.0%
Media Services/School Library	\$301,927	1.7%	\$284,685	1.4%	\$246,014	1.2%	\$44,421	0.3%	\$228,059	1.2%
Instructional Staff Training Services	\$53,115	0.3%	\$147,236	0.7%	\$0	0.0%	\$10,022	0.1%	\$353,249	1.8%
Total Support Services	\$2,025,582	11.4%	\$2,007,389	10%	\$1,973,162	9.2%	\$1,020,042	7.5%	\$1,817,053	9.2%
General Administration	\$448,152	2.5%	\$492,854	2.5%	\$467,795	2.2%	\$368,760	2.7%	\$534,154	2.7%
School Administration	\$838,689	4.7%	\$970,561	4.9%	\$977,539	4.6%	\$721,631	5.3%	\$872,231	4.4%
Total Administrative. Cost	\$1,286,841	7.2%	\$1,463,415	7.4%	\$1,445,334	6.8%	\$1,090,391	8.0%	\$1,406,385	7.1%
Allowable Maintenance of Facilities	\$342,091	1.9%	\$481,919	2.4%	\$1,174,644	5.5%	\$0	0.0%	\$678,944	3.5%
Other Operation and Maint. of Plant	\$1,289,657	7.2%	\$1,432,498	7.3%	\$460,096	2.2%	\$1,338,863	9.8%	\$1,265,765	6.4%
Student Transportation	\$262,628	1.5%	\$336,161	1.7%	\$802,230	3.8%	\$316,032	2.3%	\$233,601	1.2%
Business & Other Support Services	\$263,507	1.5%	\$259,046	1.3%	\$301,869	1.4%	\$308,974	2.3%	\$539,891	2.7%
Benefits	\$1,624,596	9.1%	\$2,202,739	11.2%	\$2,512,778	11.8%	\$1,395,323	10.3%	\$2,278,876	11.6%
Food Services (deficit transfer)	\$76,600	0.4%								
*On-behalf TPAF Pension Contributions	\$631,601	3.5%	\$679,845	3.5%	\$680,878	3.2%	\$444,725	3.3%	\$805,521	4.1%
*Reimbursed TPAF Social Security	\$696,380	3.9%	\$743,193	3.8%	\$835,726	3.9%	\$479,634	3.5%	\$744,541	3.8%
Total Other Undistributed Expen.	\$5,187,060	29.0%	\$6,135,401	31.2%	\$6,768,221	31.8%	\$4,283,551	31.5%	\$6,547,139	33.3%
Total Undistributed Expenditures	\$9,246,721	51.8%	\$10,989,922	55.6%	\$10,998,265	51.6%	\$7,162,266	52.6%	\$10,612,510	53.9%
Capital Outlay	\$193,511	1.1%	\$277,737	1.4%	\$350,358	1.6%	\$765,442	5.6%	\$197,746	1.0%
Special Schools	\$0	0.0%	\$38,522	0.2%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Total General Fund Expenditures	\$17,902,750	100.0%	\$19,680,870	100.0%	\$21,247,791	100.0%	\$13,611,429	100.0%	\$19,672,772	100.0%
Average Daily Enrollment	1,888		2,248		2,193		1,590		1,801	

The data indicates that the districts are roughly similar both in terms of expenditure amounts and percentages of expenditures on specific line items. The largest percentage of expenditures is for Instruction. The percentages range from a high of 47.3% (Roselle Park) to a low of 41.8% (North Arlington). Support Services expenditures range from a high of 11.3% (Roselle Park) to a low of 7.5% (North Arlington). Administration costs are comparable for all districts. Other Undistributed Expenditures range from a high of 33.3% (Somerville) to a low of 29.0% (Roselle Park).

*These are non-budgeted revenues, and as such are different from the other reported revenue sources.

The table below displays the comparative per pupil expenditure for selected 1998-99 school year cost factors. This information is listed in the New Jersey Department of Education Comparative Spending Guide, March, 2000.

**Analysis of Similar Districts Using Per Pupil
Actual Expenditures or Staffing Data***

	<u>Roselle Park</u>	<u>Collingswood</u>	<u>Hawthorne</u>	<u>N. Arlington</u>	<u>Somerville</u>	<u>Four District</u>
	<u>Union</u>	<u>Camden</u>	<u>Passaic</u>	<u>Bergen</u>	<u>Somerset</u>	<u>Average</u>
Total Cost Per Pupil*	\$8,317	\$7,370	\$8,118	\$6,884	\$10,032	\$8,101
Total Classroom Instruction	\$4,904	\$4,182	\$5,149	\$3,852	\$5,775	\$4,740
Classroom Salaries & Benefits	\$4,654	\$3,931	\$4,986	\$3,694	\$5,432	\$4,511
Classroom General Supplies & Texts	\$211	\$198	\$158	\$149	\$297	\$201
Classroom Purchased Services & Other	\$32	\$52	\$6	\$9	\$47	\$29
Total Support Services	\$1,230	\$1,086	\$1,051	\$771	\$1,361	\$1,067
Support Services Salaries & Benefits	\$1,133	\$1,005	\$916	\$639	\$1,174	\$934
Total Administrative Cost	\$908	\$870	\$881	\$975	\$1,178	\$976
Salaries & Benefits for Administration	\$737	\$681	\$677	\$800	\$775	\$733
Operations & Maintenance of Plant	\$930	\$946	\$831	\$897	\$1,149	\$956
Salaries & Benefits-Oper./Maint. of Plant	\$558	\$621	\$551	\$460	\$518	\$538
Extracurricular Cost & Benefits	\$270	\$250	\$180	\$162	\$419	\$253
Total Equipment Cost	\$107	\$65	\$45	\$59	\$94	\$66
Students to Teacher Ratio	13.2	13.3	13.2	16.4	12.7	13.9
Median Teacher Salary	\$48,786	\$37,374	\$50,915	\$57,000	\$56,174	\$50,366
Ratio of Students to Support Service	101.5	87.8	85.6	116.7	86.2	94.1
Median Support Service Salary	\$51,863	\$54,925	\$58,881	\$59,950	\$52,476	\$56,558
Ratio of Students to Administration	144.5	134.4	164.1	132.4	165.6	149.1
Median Administrator Salary	\$86,242	\$70,683	\$83,259	\$77,868	\$91,842	\$80,913
Faculty to Administrative Ratios	12.4	11.6	14.4	9.2	14.9	12.5
Personal Services – Employee Benefits	13.3%	18.0%	18.4%	13.5%	15.5%	16.4%

*The total cost per student in this table is not comparable with the total cost figures in the previous table. The total cost per pupil here is calculated as the total current expense budget, plus certain special revenue funds, particularly early childhood programs, demonstratively effective programs, distance learning network costs, and instruction supplemental costs. The calculation excludes the local contribution to special revenue, tuition expenditures, interest payments on the lease purchase of buildings, transportation costs, residential costs, and judgements against the school district. Also excluded from this per pupil calculation are equipment purchases, facilities acquisition and construction services, expenditures funded by restricted local, state, and federal grants, and debt service expenditures. The total cost does include TPAF pension and TPAF social security reimbursed funds, which are non-budgeted revenues.

A comparison of Roselle Park's per pupil costs with the comparison districts indicates that Roselle Park costs are above average for three factors, about average for 17 of the 21 cost factors, and below average for one factor.

The three factors where Roselle Park's per pupil costs are above average are listed below in order of the percent above average:

- total equipment (62.1%);
- support services salaries and benefits (21.3%); and
- total support services (15.3%).

Each of these above average cost factors is discussed in the relevant sections of this report. In particular, the equipment amount is discussed in the educational technology section. The larger salary amounts for support services are discussed in each relevant area throughout the report.

The one factor where the district's per pupil cost is below average is in personal services-employee benefits (-18.9%).

The prior charts compared Roselle Park to four districts that were similar in terms of type, size, and socioeconomic factors. The next table looks at Roselle Park in relation to the 76 other school districts in the state that are the same operating type (K-12) and enrollment range (1,801-3,500 students). The districts are ranked from “1” to “76” with “1” being the lowest cost per student and “76” the highest cost per student. The midpoint ranking of 38 indicates that a district is about average, half of the districts have a higher and half have a lower cost on a per pupil basis. Three years of data are presented, 1997-98, 1998-99, and 1999-00 actual amounts.

**Comparison of Roselle Park to 76 School Districts
Ranked from “1” (Low Cost) to “76” (High Cost)**

	1997-98		1998-99		1999-00	
Ranked Low Cost to High Cost	Actual	Ranking	Actual	Ranking	Budget	Ranking
Total Cost Per Pupil	\$8,072	41	\$8,317	44	\$8,408	36
Total Classroom Instruction	\$4,809	42	\$4,904	38	\$4,785	22
Classroom Salaries & Benefits	\$4,470	36	\$4,654	38	\$4,607	25
Classroom General Supplies & Textbooks	\$300	73	\$211	53	\$155	11
Classroom Purchased Services & Other	\$39	43	\$32	31	\$29	16
Total Support Services	\$1,140	60	\$1,230	62	\$1,329	61
Salaries & Benefits for Support Services	\$1,026	59	\$1,133	64	\$1,232	62
Total Administrative Costs Per Pupil	\$885	29	\$908	33	\$959	32
Salaries & Benefits for Administration	\$732	34	\$737	34	\$781	40
Operations & Maintenance of Plant	\$908	38	\$930	38	\$1,041	50
Salaries & Benefits-Oper./Maint. of Plant	\$515	41	\$558	45	\$636	51
Food Service Cost Per Pupil & Benefits	\$36	28	\$41	27	\$0	
Extracurricular Costs Per Pupil & Benefits	\$254	61	\$270	65	\$263	55
Median Teacher Salary	\$51,129	39*	\$48,786	35	\$49,174	34
Median Support Service Salary	\$51,542	27*	\$51,863	26	\$56,692	38
Median Administrator Salary	\$82,018	28*	\$86,242	39	\$84,174	27
Ranked High Ratio to Low						
Student/Administrator Ratio	144.0:1	57*	144.5:1	58	119.3:1	72
Faculty/Administrator Ratio	12.0:1	52*	12.4:1	51	10.3:1	72
Students/Support Services Ratio	98.5:1	30*	101.5:1	18	91.7:1	37

Source: Comparative Spending Guide, March, 2000

* Comparative Spending Guide, March, 1999 (75 School Districts)

The analyses of Comparative Spending Guide data above indicate that Roselle Park’s costs per student for most of the cost factors are within the midpoint range. However, in each of the three most recent years available, the district’s cost per student for three factors ranked in the bottom one-third of the 76 districts. These cost factors are listed below based on a three-year average ranking using the Comparative Spending Guides 1997-98 through 1999-00:

- support services salaries & benefits (62.3);
- total support services (61.3); and
- extracurricular cost per pupil & benefits (61.3).

Staffing indicators ranked high to low for student/administrator ratio (63.3) and faculty/administrator ratio (59.6) are in the top one-third of the 76 districts. It should be noted that state averages for these same indicator ratios are 171.1:1 and 14.1:1 respectively.

As noted earlier, these areas are discussed in more detail in other sections of this report.

General demographic information for Roselle Park and the selected comparable districts was used in the following table for the 1998-99 school year. Data are from the New Jersey School Report Card, the Comprehensive Annual Financial Report (CAFR), and the Department of Education Comparative Spending Guide, March, 2000.

School Data Comparison					
Description	Roselle Park	Collingswood	Hawthorne	N. Arlington	Somerville
County	Union	Camden	Passaic	Bergen	Somerset
District Type	II	II	II	II	II
Grades	K-12	K-12	K-12	K-12	K-12
District Factor Group	DE	DE	DE	DE	DE
Certified Employees	176	214	212	121	185
Other Employees	93	68	92.1	55	59
Total Employees	269	282	304.1	176	244
Square Miles	1.3	2.03	3.63	2.5	2.36
<i>Number of Schools:</i>					
Elementary	3	5	3	3	2
Middle	1	1	1	1	1
High School	1	1	1	1	1
Total Schools	5	7	5	5	4
Average Daily Enrollment	1,888	2,248	2,193	1,590	1,801
<i>Student/Teacher Ratio:</i>					
Elementary Schools	16.9:1	17.6:1	15.7:1	24.3:1	11.6:1
Middle School	13.5:1	11.2:1	10.6:1	16.4:1	9.8:1
High School	10.9:1	11.2:1	10.7:1	15.7:1	11.2:1
<i>Administrative Personnel:</i>					
No. of Administrators	13	16.6	13.5	11.9	11.5
Student/Admin. Ratio	144.5:1	134.4:1	164.1:1	132.4:1	165.6:1
Faculty/Admin. Ratio	12.4:1	11.6:1	14.4:1	9.2:1	14.9:1
<i>Median Salary:</i>					
Administrators	\$86,242	\$70,683	\$83,259	\$77,868	\$91,842
Faculty	\$48,786	\$39,060	\$53,796	\$57,000	\$54,161
<i>Median Yrs. of Experience:</i>					
Administrators	28	21	26	27	24
Faculty	14	12	19	14	17
<i>Scholastic Assessment Test Results:</i>					
Average Math Score	499	497	506	505	516
Average Verbal Score	478	485	495	474	507
<i>Post-Graduation Plans:</i>					
4 yr. College/University	56%	43%	51%	68%	61%
2 yr. College	28%	29%	38%	19%	25%
Other College	2%	0%	0%	2%	0%
Other Post-Secondary School	3%	5%	4%	0%	0%
Full-time employment	7%	11%	6%	11%	11%
Other	4%	8%	1%	0%	3%
Undecided	0%	4%	0%	0%	0%
<i>High School:</i>					
Instructional Time	5:24	5:20	5:15	5:41	5:20
Student Mobility Rate	5.3%	14.5%	5.2%	4.3%	7.0%
Dropout Rate	1.4%	4.6%	2.3%	1.1%	1.5%

When contrasted with the other four comparative districts (Collingswood, Hawthorne, West Arlington, and Somerville) over the three school year period, 1998-01, Roselle Park's median administrative salary, \$86,242, was fourth highest of the total districts in 1998-99. For the next two years the median Roselle Park administrative salaries, \$84,174 and \$87,174 respectively, were in the middle of the comparison group. Roselle Park's total administrative costs as a percentage of the total operating budget, 7.2%, was comparable with the other four comparison districts.

ADMINISTRATION

At the time of LGBR's visit, the Roselle Park Public Schools' central administrative staff was comprised of: the superintendent of schools, a school business administrator/board of education secretary, a director of pupil services, a supervisor of curriculum/instruction and funded programs, and a custodial/maintenance director. These five administrators are an appropriate number based on the New Jersey Department of Education's Comprehensive Plan for Educational Improvement and Financing, adjusted to the 1,875 pupil enrollment listed for Roselle Park in September, 2000. The number of school-based administrators also appears appropriate, however, Roselle Park has small school buildings, whose size limitations create higher overhead costs than would be present in larger buildings.

During the recent past, the central administration in Roselle Park experienced a complete turnover of staff. The new administrative team appeared to LGBR to be tackling the challenges of the district with enthusiasm and vigor. In addition to adjusting to new colleagues, the central administrators face cramped working space. In this they mirror the dilemma of teachers, administrators, other employees, and students throughout the five district schools. Space is at a premium everywhere in the public schools of Roselle Park. The business office staff works in very tight quarters.

There was general consensus by administrators and members of the board of education who spoke with LGBR that the shortage of instructional space and the amount of sub-standard facilities were the most difficult obstacles facing the Roselle Park system.

The board of education and the central administrative staff appeared to work well together. Both groups seemed to understand, and to respect, each other's role in the operation of the school district. LGBR agrees that insufficient space is a negative factor for the district.

The school-based administration was comprised of principals from each of the three elementary schools and the middle school. The high school administration was the principal and an assistant principal. Eighth grade discipline was handled by the athletic director.

Viewed from the perspective of New Jersey's K-12 districts with enrollments from 1,801 to 3,500, total per pupil administrative costs were in the low to mid range over the 1997-98 through 1990-00 period. During the same time frame, per pupil administrative salary/benefit costs were essentially average compared to the other K-12 districts in Roselle Park's grade-size category in the Comparative Spending Guide. Median administrative salaries for Roselle Park were below

average for the districts included in Roselle Park's category by the New Jersey Department of Education's Comparative Spending Guide during the three school years in question. Student/administrator ratios were low, reflecting the relatively small size of the district's schools. The charts below illustrate the various comparisons made in this paragraph.

1,801 - 3,500 K-12 Districts Total Administrative Costs

	1997-98 – N=76*	1998-99 -- N=76*	1999-00 -- N=72*
State Operat. Type Avg. (SOTA)	\$940	\$949	\$978
Roselle Park	\$885 -- 29*	\$908 -- 31*	\$959 -- 32*
Administrative Salaries/Benefits			
SOTA	\$753	\$759	\$778
Roselle Park	\$732 – 39	\$739 -- 33	\$781 -- 40
Median Salary (1 = lowest salary in group)			
Roselle Park	\$86,242 – 39	\$84,174 -- 27	\$87,174 -- 25
Students/Administrator			
Roselle Park	144 – 58	119 -- 72	182 -- 65
Faculty/Administrator			
	1999-00	2000-01	
Roselle Park	10.3 – 72	11.7 -- 62	

Sources: New Jersey Department of Education, Comparative Spending Guide, March, 2000 and March, 2001.

BOARD OF EDUCATION

The Roselle Park Board of Education is the nine member governing body of the public schools in the community. The board members are elected to three-year terms of office.

A major responsibility of the board of education is to establish policies to guide the operation of the schools. During its visit, LGBR reviewed the district policies. Although the policy manual seemed comprehensive, many of the policies were old and the entire document was in need of review. The board of education was taking steps to review its policies while LGBR was in Roselle Park. LGBR recommends that the board of education have a thorough review of its policies accomplished in order to insure completeness and currentness of the board's role as the district's policy-making body. Several firms do policy review as their chief business. The New Jersey School Boards Association can also be of help in this matter. In this area it can be wise to obtain the services of outside experts in policy review, and possible overhaul. Such action allows the board of education and the district administration to fine-tune the results to fit Roselle Park's special needs. Under such a review process, the administration is free to tend to the on-going work of the district. In addition, the board of education will ultimately have a document that will conform to current law and regulations, as well as provide up-to-date policy guidance for district needs.

LGBR examined board of education expenses for school years 1999-00 and 2000-01. For that two-year period membership dues in the New Jersey School Boards Association and the Association of Middle Income Districts averaged about two-thirds of the miscellaneous account costs. The balance of that account's expenses were for items that seemed appropriate for the transaction of board business.

The board travel and conference account expenses were \$6,262.76 in 1999-00 and \$3,150.17 in 2000-01. All expenses were for conferences and meetings in New Jersey.

TECHNOLOGY

Educational Technology

The district's technology plan for 1996-00 outlined a starting point for the district. In the fall of 1996, a district-wide planning committee consisting of administrators, teachers, parents, community members, and students developed a more comprehensive district technology plan for 1997-02. The technology committee initially identified the current status and problems that existed in the overall situation of the district and developed various sub-committees to address the main areas:

Computer Systems	Distance Learning
Networking	Inservice
Curriculum	Maintenance
Software	Community

The five-year technology plan has both district and building goals and objectives. The building plan is developed into grade level technology goals for communications, information processing, and productivity that take into account varying levels of difficulty and complexity as the students move through the educational program. The format of this plan easily allows for the growth of integrating technology changes into the curriculum. The action plan addresses each focal area over a five-year period with exact goals and objectives to be accomplished. The district technology committee members are to monitor the implementation of the technology plan with quarterly evaluations that will determine progress and to modify the plan as needed. However, the plan does not assign staff members' responsibility for each plan area nor does it establish evaluation criterion for each goal and objective.

Over the past several years, a good framework for enhancing and increasing the level of computer technology has been laid. Computer labs have been established in all schools. Each grade, Kindergarten through grade five, has at least three computers per room. Almost all classrooms have been wired for Internet services. Computerization of the high school library media center has been accomplished. An Acceptable Use Policy that addresses the appropriate use of technology by teachers and students is in place. Staff development regarding the infusion of technology into the classroom and the enhancement of communication with parents and the community through email training, Web page design, and a homework hotline has moved

forward. The district's Distance Learning Network Aid and local funding have been applied to the acquisition of computer hardware, software, and networking needs over the past several years.

The newly appointed supervisor of curriculum/instruction and funded programs oversees the administration of technology. Assisting districtwide in this area is a systems technician and the network administrator appointed in October, 2000, replacing the position of district computer/hardware manager. Each building employs teaching staff members who manage the computer lab program. The high school also employs a computer instructional aide to assist in this program area.

LGBR staff found certain areas that should be examined and addressed as technology advances in the district that may be cause for future addenda to the district's five-year plan:

- Other non-computer related classes use the computer labs over the course of the school day due to a lack of instructional space. Consequently, the labs are not available as open labs that can be utilized by classroom teachers for special technology projects.
- An updated hardware and software inventory database needs to be completed and maintained.
- District computer hardware standards need revisions in order to meet the multimedia capabilities of the industry (most district PC's are on the low end with regards to memory, processing speed, hard drive capacity and video/sound cards). The plan must include provisions to upgrade and acquire new equipment.
- Distance learning capabilities and programs that support academic instruction and provide access to remote resources for students need to be explored and implemented.
- Installation of both Local Area Network (LAN) and Wide Area Network (WAN) that provides data communication in and among schools, email and Internet access need to be put in place.
- A technology skills matrix that provides structured and situated professional development and help for teachers with planning for the infusion of technology into classrooms and moving the proficiencies forward should be created.

Equally important is the way teachers use technology as a tool to improve instruction. Teachers can supplement the curriculum by introducing areas that would not be taught in the traditional way, providing for individual instruction and learning styles, improving student motivation and self-esteem, and teaching the higher skills as outlined in the core curriculum standards. LGBR's interviews revealed that teachers have received initial training and have begun using cooperative learning strategies in the lab, as well as coordinating activities with the classroom teacher. The district's professional development plan for 2001-02 continues and supports the premise that technology is a valuable tool, when used properly, to aid in student academic achievement.

The Roselle Park School District signed a contract in September, 1998 to participate in Verizon's Access New Jersey Program. This was for Centrix ISDN and Frame Relay services. The district is to be congratulated for this participation.

LGBR recommends that the district investigate participation in the federal governments' Universal Service Fund's email rate program. Utilizing the district's shared services eligibility rating of 47% it appears that the district could save a significant amount if they chose to participate.

Recommendations:

LGBR recommends that the district carefully assess its educational technology needs, including staff resources required to properly manage this function. Formalized plans to meet these needs would provide consistency over time.

It is imperative that the district updates its inventory of hardware and software. Inventories are critical for insurance claims and to stock control.

Communications

Communication/Telephone Expenses

1999-00	1998-99	1997-97	1996-97
\$77,313	\$71,701	\$41,312	\$28,690

In the 1999-00 school year, the district spent \$77,313 for communication expenses. The district experienced an increase of over 50% in expenses from the 1997-98 to 1998-99 school year. The major reason for the increase was due to deregulation and rate increases associated with the changed telephone service provider.

The following chart shows the communication/telephone expenses for the 1999-00 and 1998-99 school years of the comparison school districts. In comparing communication expenses to those of the comparison school district's for the 1998-99 school year, Roselle Park's communication expenses were the second highest. During the 1999-00 school year, Roselle Park's communication expenses were the second lowest among the five after the North Arlington school district.

Comparison Schools Communication/Telephone Expense 1998-99 and 1999-00

Comparison Districts	1998-99	1999-00
Roselle Park	\$71,701	\$77,313
Collingswood	\$54,754	\$71,701
Hawthorne	\$64,573	\$93,177
North Arlington	\$48,856	\$53,529
Somerville	\$96,153	\$87,384

During the 1999-00 school year, Roselle Park district employees made approximately 10,500 phone calls each month, including calls to other states. Of the 10,500 calls placed, 250 calls were attributed to national directory assistance calls or x54 (caller name/address retrieval) calls.

The monthly expense for these calls is approximately \$102. LGBR feels that the district is over-utilizing local and national directory assistance calls. The state standard is zero directory assistance usage.

Recommendation:

LGBR recommends that the district restrict the use of directory assistance and x54 (caller name/address retrieval) calls. The telephone company provides telephone directories for each phone. In addition, the district could install CD-ROM phone directories on its computer network with employee access.

The district's central office purchased a new telephone system when it moved into a new building three years ago. The elementary and middle schools use the same telephone system. The high school uses a different telephone system, which is approximately 10 years old. The high school phone system has been recently upgraded with new software. The district has a call block feature on all telephones in the teachers lounge. A log system is used to record long distance calls for reimbursement.

Recommendations:

As the district acknowledges that its current communication systems are inadequate for its future growth needs, LGBR recommends that the district review the current communication system and seek RFP's to help the district implement future communication upgrades and or replacements as needed.

In the interim, LGBR recommends that the district consider further restricting regional, and long distance phone calls. The telephone company has the ability to block these types of calls when the customer has over 50 phone lines from individual lines. An exception can be made for supervisors and administrators.

Cellular Phones

The district has two cellular phones. The building and grounds supervisor uses one, and an extended day supervisor uses the other. The monthly fees associated with the cellular service expense are approximately \$38 and \$27 each month. This equates to annual costs of \$780. The costs associated with cellular phones typically require the user to remain in the plan for one year. The team felt that cellular phones could adequately be replaced with walkie-talkies. Walkie-talkies are a one-time cost versus the cellular phone costs, which are recurring monthly. Another option the district might consider is reimbursing employees who use their own cellular telephone on a per call basis. LGBR felt that this option would result in the least annual expense.

Recommendation:

The district should consider replacing the use of cellular phones, which average annual costs of \$780 with less expensive walkie-talkies or reimburse the extended day employee on a per call basis.

Cost Savings: \$780

Pagers

The district paid annual rental expense of \$426 for seven pagers for various district staff. The district has not experienced any service or billing concerns with the service provider. The team felt that the amount of pagers and the expenses associated with them were reasonable.

Coin Operated Phones

Roselle Park School District has two coin operated pay phones; one in the high school, and one in the middle school. The students, employees, and the community utilize these phones. The district is not billed for these phones. The telephone company provides the telephones and pays the district a commission based on monthly usage. LGBR commends the district for these cost savings negotiations, as most pay phones located in the schools are an additional expense for the district.

INSTRUCTION

The district offers several after-school instructional programs. An after-school care program (Widening Interest in Student Education-W.I.S.E.) provides an additional period of instruction beyond the school day to minimize the number of daily basic skills pullouts for elementary and middle school students. An Extended Day Program is also available to provide instruction and supervision for all grade level students after school hours until 6:00 p.m. A summer camp primarily for elementary students is also conducted in the high school from 8:00 a.m. to 6:00 p.m. from the end of the school year through mid-August.

Of note is the district's provision for community recreational services through its operation of the Green Acres Athletic Complex which opened September, 1984. Local and county athletic groups for football, basketball, baseball, softball, soccer, and tennis activities use this facility extensively.

General overall district information and demographics are derived from public records of the New Jersey State Department of Education, which collects educational, social, and financial data from all state districts. The 1998-99 school year data are listed below with five-year trend data for that district's line item:

- Total comparative cost per pupil: \$8,317 (State: \$8,487)
5-year trend: 12.3%
- Number of schools: 5 (State: 7.3)
- Number of administrators: 13 (State: 25.1)
- Students per administrator: 144.5 (State: 171.1)
- Faculty per administrator: 12.4 (State: 14.1)
- Median salary of teachers: \$48,786 (State: \$50,967)
5-year trend: -4.60%
- Median teaching experience: 14 years (State: 15 years)
5-year trend: -22.20%

- Median salary of administrators: \$86,242 (State: \$86,805)
5-year trend: 14.57%
- Median administrative experience: 28 years (State: 26 years)
5-year trend: 55.60%

Note: State averages represent schools of similar operating type (K-12)

The review team visited each of the district schools mid-September through November of the 2000-01 school year.

K-5 Elementary Schools

The district's three K-5 elementary schools are old facilities, but are well maintained. Each elementary school has a principal, a school nurse, and shared instructional/support services in special education, gifted and talented, instrumental and vocal music, art, computer, library, and guidance.

The Sherman School was built on Grant Avenue between Sherman and Sheridan Avenues in 1912, and expanded in 1928. It was the second school building built by the Roselle Park Board of Education, after Roselle Park High School renamed Robert Gordon School. Sherman School currently has an enrollment of approximately 316 students (Fall 2000).

The Robert Gordon School was founded in 1916. It was originally built in 1907 and opened its doors in 1909 as Roselle Park High School. After the high school relocated, the building was renamed Robert Gordon School in honor of one of the Borough's first councilmen and a former board of education member. The Robert Gordon School is quite distinctive in that it is the first poured concrete building, created by an experimental process invented by Thomas Edison. Robert Gordon School had an enrollment of approximately 294 students in the Fall of 2000.

The Aldene School was built in 1921 to replace the aging Lincoln School, which became a factory, and to meet the demand created by the growth in the west end of Roselle Park Borough. The name Aldene came from the first name of Aldene Condict, son of Silas Condict, an owner of substantial real estate in western Roselle. An addition to the school was erected in 1952. Aldene School had an enrollment of approximately 283 students in the Fall of 2000.

The three elementary schools have a common handbook for school rules, policies, and procedures that is distributed to students, parents/guardians, and staff. Each school offers a similar core of academic programs that include Integrated Language Arts, Reading Recovery, Talented and Gifted, and Project W.I.S.E. A myriad of other academic, art, support, and extracurricular activities are also conducted with some activities unique to each school.

General elementary school information for the 1998-99 school year is illustrated in the charts below. Comparison data with state averages, and in some cases, to schools with similar socioeconomic conditions (DFG) are referenced. A five-year trend for several categories indicates what has happened in the district over time.

Elementary School Information

	Aldene School	Gordon School	Sherman School
School Enrollment	297	316	303
5-year trend	+10.82%	+5.33%	+2.36%
Low Income Students¹	22.6%	10.1%	8.3%
English Spoken at Home²	60%	72%	69%
Student Attendance Rate	95.7%	96.0%	96.7%
5-year trend	+ .63%	+ .95%	+1.04%
Mobility Rate	12.1%	15.8%	10.6%
5-year trend	-9.70%	+62.89%	-17.19%
Average Class Size	21	20	22
5-year trend	-3.67%	-9.50%	+6.28%
Student/Faculty Ratio	15.2:1	16.5:1	18.9:1
5-year trend	+2.01%	-9.34%	+8.62%
Faculty Attendance Rate	98.1%	97.9%	98.0%
Advanced Degree³	38%	43%	47%

Footnotes:

1 – An indicator of poverty, which can affect test scores.

2 – Percentage of students whose first language spoken at home is English.

3 – Professional staff with master's degrees or doctorates.

Source: New Jersey State Department of Education.

One measure of a school/district's progress toward achieving standards is standardized test results. The Elementary School Proficiency Assessment is a new state test for fourth-grade students. For the first time, the 1999 ESPA measured what students know and can do in language arts literacy (reading and writing), mathematics, and science, three of the content areas covered by the State's Core Curriculum Content Standards. The percent of students scoring as "Advanced Proficient" and "Proficient" have met the state standards for that content area. The percent of students scoring as "Partially Proficient" have not met the state's minimum level of proficiency and may need additional instructional support.

ESPA Test (Grade 4) General Education Student

	Aldene %	Gordon %	Sherman %	District %	DFG %	State %
Language						
Advanced Proficient	2.6	0.0	3.8	2.0	0.4	0.6
Proficient	47.4	48.2	90.6	63.3	45.9	45.4
Partially Proficient	50.0	51.8	5.7	34.7	53.7	53.9
Mathematics						
Advanced Proficient	10.5	19.6	67.9	34.7	14.9	18.2
Proficient	73.7	50.0	30.2	49.0	52.3	47.5
Partially Proficient	15.8	30.4	1.9	16.3	32.7	34.2
Science						
Advanced Proficient	18.4	41.1	86.8	51.7	39.6	37.8
Proficient	78.9	58.9	11.3	46.9	56.1	51.8
Partially Proficient	2.6	0.0	1.9	1.4	4.4	10.3

Source: New Jersey School Report Card 1998-99

Middle School

The Roselle Park Middle School was founded in 1960. The current multi-level building, located on West Grant Avenue, was erected in 1931 and first served as the Roselle Park High School. Roselle Park Middle School currently has an enrollment of approximately 300 students in grades 6 and 7.

A principal administers the school along with a guidance counselor, school nurse, and both regular and shared instructional/support services in library, art, special education, physical education, and industrial arts. The school offers a variety of programs and activities to all its students. The student handbook contains an outline of activities and rules for the school year to include: the school calendar, pertinent policies and procedures, information for parents, and a section for students to record assignments and other relevant data. The academic program features an enhanced W.I.S.E. program that has a before and after school component that serves those students who fall below minimum state standards based on the district's annual needs assessment. The school has also expanded W.I.S.E. course offerings over the years to include such areas as enriched art and enriched computers, theater, cooking, woodworking, and the school newspaper. French and Spanish on an introductory level are available during the school day for all seventh graders. There is a general offering of intramural and interscholastic sports and a variety of extracurricular activities for both boys and girls.

A review of the New Jersey School Report Card for the year 1998-99 school year indicates the following information:

- Language diversity is 35% with 4% Limited English Proficient (LEP).
- Both student and faculty daily attendance rates exceed the state rates.
- Average class size is above the state rate by 25.0 v. 21.6.
- Student mobility rate is 6.8% as opposed to the state's 15.5%.
- Student/faculty ratio is slightly below the state rate by 13.5 v. 13.7.
- Instructional time is five hours and 19 minutes, which is 11 minutes less than the state average.

High School

The present Roselle Park High School, built in 1963, is the fourth home for the high school. The high school was first housed in what is today the Robert Gordon Elementary School. The school then moved to a second building, now demolished, on Locust Street. Before its last move to West Webster Avenue, the high school was located in what is now the current middle school on West Grant Avenue. In the fall of 1992, the high school new wing opened, adding three additional classrooms: a health room, a vocal music room, and a general classroom. Another three classrooms became available in September, 1996, when the board of education and the curriculum office moved to its new location. The high school currently has an enrollment of 652 full-time students and 36 shared-time students for a total of 688 student's on-roll in grades 8 through 12.

The New Jersey State Report Card for 1998-99 provides the following data:

- School enrollment in October was 666.5 students, a decrease of 57.5 students from the 1994-95 school year for a 5-year trend of minus 7.9%.
- Students eligible for free meals and/or milk equaled 13%.
- Language diversity spans at least eight different languages being spoken at home, comprising 29% of the school's student population with a 2% of LEP (Limited English Proficient) students.
- Student and faculty attendance rates for the period 1994-99 consistently exceeded the state average in both categories.
- Mobility rate of 5.3% coupled with a 5-year trend of minus 46.50% is well below the state average of 13.7 %.
- Dropout rate of 1.4% and the 5-year trend of minus 53.30% are well below the state average.
- Average class size of 20 with a 5-year trend of minus 11.50% is now close to the state average of 20.9.
- Student/faculty ratio with a 5-year trend of minus 14.20% of 10.9:1 is below the state average of 11.6:1.
- Student/administrator ratio of 133.0:1 is far below the state average of 187.0:1.
- Administrator and faculty advanced academic degrees (Masters or Doctoral) amount to 71% of the professional staff.

GEPA Test Grade 8

	High School %	DFG %	State %
Language			
Advanced Proficient	9.6	6.6	8.1
Proficient	76.0	83.0	77.3
Partially Proficient	14.4	10.4	14.6
Mathematics			
Advanced Proficient	20.8	18.2	21.8
Proficient	53.6	53.1	46.7
Partially Proficient	25.6	28.7	31.5

High School Proficiency Test Percent Passing 1998-99 (October '98 & April '99)

	Reading %	Mathematics %	Writing %	HSPT (All Sections) %
High School	88.4	89.1	94.9	82.6
DFG	93.0	95.1	95.9	89.6
State Average	89.4	92.0	93.1	85.1

A comprehensive program of academics, co-curricular activities, and extracurricular activities are offered. A full complement of student services, support systems, and activities are available to the student body. The high school's administration consists of a principal, one assistant principal/attendance officer, and an athletic director. Additionally, there are seven other staff

members serving as department supervisors. The supervisor of guidance has a 12-month contract, the remaining 10-month supervisors teach three classes and most of these positions cover two departmental areas.

Of special interest are the following programs or activities: a TV studio where students produce and direct a daily information TV program to high school homerooms and help produce a weekend, cable access program to Roselle Park and Kenilworth; a support system that provides Human Relations and Crisis Center programs that provide for special needs of individual students; and the extensive offerings of a diversified program of student activities in the arts and athletics.

Special Education

Roselle Park special education programs are under the direction of the director of special services, who also supervises the child study team, related services staff (speech, occupational, and physical therapists), guidance services, substance awareness counselor (SAC), school health office staff, and gifted and talented programs for the district. Based on the October, 1999 ASSA, there were 241.5 students with disabilities (those on a shared-time basis are counted as 0.5) enrolled in the district. Of that number, 219.5 students were receiving services through programs within the district. Twenty-two students were placed in other programs on a tuition basis. The district's distribution of students with disabilities for the past two years is summarized in the table below. The chart indicates the enrollment according to the New Jersey Department of Education "tier" system. Used as a basis for determining state special education aid to school districts, the tiers provide a general index of the severity of disability. Tiers II, III, and IV relate to a student's designated special education classification category. Tier I, which is not shown, addresses related services, such as speech/language, physical therapy, occupational therapy, and counseling specified in the student's individualized education program, or IEP. (Students placed in Regional Day Schools, County Special Services School Districts, and State Facilities are not included in these totals.)

TIER	October 1999	October 1998
Tier II	102	89
Tier III	48	44
Tier IV	91.5	87.5
Total	241.5	220.5

Source: Application for State School Aid (ASSA)

Support Staff

In addition to the director, the special services department includes five full-time child study team members (two school psychologists, two learning disabilities teacher/consultants, and one school social worker) and three speech/language specialists. Housed in the board of education building, the central special services office contains all official student records. Due to severe space limitations and diverse case management responsibilities, individual staff members are assigned to various locations throughout the district schools. The case managers assigned to students at the Aldene and Gordon elementary schools use office space in the middle school. The school social worker is the designated case manager for the students with disabilities at Sherman Elementary School, as well as for all students placed outside the district, regardless of grade level.

Based on the staffing recommendations under the CEIFA (Comprehensive Plan for Educational Improvement and Financing Act) model developed by the New Jersey Department of Education (NJDOE), the number of child study team members per student enrollment is appropriate. Using the formula developed by the NJDOE to calculate evaluations and re-evaluations per child study team, the Roselle Park staff completed an average of 63 evaluations per team in 1998-99 and 81 in 1999-00, according to the End-of-Year Special Education Reports submitted by the district. The most recent statewide comparative statistics compiled were included in the Special Education Report of 1997-98. For that year, Roselle Park had the second highest (63 per team) evaluation completion ratio of the comparison group used in this review.

Aside from the support staff specifically assigned to special education programs, the district's one substance awareness counselor (SAC) is included in the special services department. This individual, whose office is in the middle school, provides service to students throughout the district.

Two staff members, located in the central office, are responsible for all departmental clerical services. One is employed on a twelve-month basis, while the other works ten months.

District Special Education Programs

The special education instructional staff consists of three self-contained classroom teachers and 15.5 resource teachers. Some of the teachers split their time between two schools. Sixteen aides, 10 who are assigned to classrooms and six who are designated for individual students according to the individualized education program (IEP) of each student also provide support.

Each district school has resource programs which allow students to receive special education instruction while spending much of the school day in the regular education setting. Throughout the district, in-class support is used extensively to include students with disabilities in regular education classes and activities with their age peers. In-class support involves collaboration between a special education teacher and a regular classroom teacher to provide instruction to a group comprised of both students with disabilities and general education students. Separate, or pullout, resource instruction programs are also provided. The average enrollment in pullout classes is approximately five students in the elementary schools, eight in the middle school, and six in the high school (grades 8-12). Because of different courses needs and grade levels of students, there is no way to reduce the current size of the program.

The preschool disabilities classes, scheduled for half-day sessions, are all located in the Aldene School, which also has one self-contained (Learning and/or Language Disabilities, or LLD) class for younger elementary (grades 1-3) students. For the upper grades (4-5) of the elementary population, there is one LLD class in the Gordon School. There are no self-contained classes at the other schools in the district. Information pertaining to the special education classes is contained in the following table.

SCHOOL	GRADES	CLASS TYPE	ENROLLMENT (& AGE RANGE)	AIDE (NUMBER)	MAX. ENROLLMENT	AVAIL. SEATS
ALDENE	PreK-5	Presch. Dis.	4 (3-0 to 5-3)	Y(2)	9-12	5-8
		Presch. Dis.	7 (3-0 to 4-4)	Y(2)	9-12	1-5
		LLD	3 (6-11 to 9-10)	No	10	7
GORDON	K-5	LLD	8 (9-1 to 11-9)	Y(1)	11-16	3-8

Class Type Abbreviations:

LLD: Learning and/or Language Disabilities,

Presch. Dis.: Preschool Disabilities

The number of classroom aides in the preschool disabilities classes exceeds the New Jersey Administrative Code requirements, based on reported class enrollment. The second aide could be eliminated, unless required by IEP or other conditions which the district has identified, at a savings, including salary and benefits, of \$11,970.

Recommendations:

Based on the information provided, the review team recommends that consideration be given to reducing the number of classroom aides by one, saving the district \$11,970.

Cost Savings: \$11,970

Assigning teaching staff to more than one building, especially when the schools are close to one another, is an efficient utilization of personnel.

Speech and Language Services

The October, 1999 ASSA reported that a total of 99 Roselle Park students, representing 5.1 percent of the district enrollment, were receiving speech/language services. Of that group, 52 were classified as "eligible for speech/language services". The remaining 47 were classified by the child study team and participated in speech as a related service. From rosters at the beginning of the 2000-01 school year, each of the three speech language specialists was scheduled for groups averaging 2-3 students throughout the school day. The table below shows Roselle Park's 1998-99 expenditure of local funds for speech in relation to the comparison group. As indicated, the figure is the second highest in the group and above the average for the five districts. However, as the number of students receiving speech in each district cannot be ascertained, conclusions regarding the relative efficiency in use of this service are not possible.

DISTRICT	1998-99 SPEECH EXPENDITURES
Roselle Park	\$192,046
Collingswood	\$108,206
Hawthorne	\$201,206
North Arlington	\$120,348
Somerville	\$137,343
Average	\$151,830

Source: Districts' Comprehensive Annual Financial Reports (CAFR's), 6/99

Because the overall level of expenditure in this area is higher than would be expected based on comparative enrollment (in relation to the other districts in the reference group), a review of speech/language services by the district is recommended.

Students Placed Out-of-District

When the special education needs of students cannot be met appropriately within the district, placement in other educational settings may be considered. During the 1999-00 school year, 23 students with disabilities were reported as being in tuition placements on a full-time basis on October 15th. Of that total, 11 were in private schools, while 12 were in public programs. In addition, eight students were attending the Union County Vocational School District as shared-time students. Those pupils spend half their day at Roselle Park High School and the other half in the vocational school. The number of students in special education programs outside the district since the 1998-99 school year, when there were 21 out-of-district placements listed on the ASSA, has remained relatively stable.

Among districts in the comparison group, Roselle Park had the second lowest (and less than half the highest) special education tuition costs for 1998-99, as shown below. Data from the 1999-00 school year are not yet available for all the districts, making it impossible to determine whether or not that pattern was maintained. Based on existing information, it appears that out-of-district placement of classified students is used judiciously as a program option by the Roselle Park staff.

	Roselle Park	Collingswood	Hawthorne	North Arlington	Somerville
Special. Ed. Tuition Expenditures	\$651,238	\$1,372,317	\$625,307	\$682,935	\$769,519

Source: Districts' CAFRs, 6/99

Expenditures

The following table shows the Roselle Park Special Education expenditures, in summarized form, for the past three years. Over that period, the areas of greatest increase were tuition (73%), preschool handicapped/disabilities (56%), extraordinary services (46%), and transportation (44%). "Perceptually impaired" class expenditures represent the one line item reflecting a decrease (62%).

SUMMARY OF SPECIAL EDUCATION EXPENDITURES				
	1999-00	1998-99	1997-98	% Change
				1997 to 2000
Perceptually Impaired	\$37,369	\$111,683	\$98,284	-62%
Resource Room/Center	\$537,319	\$505,715	\$509,462	5%
Preschool Handicapped	\$58,673	\$35,889	\$37,600	56%
TOTAL SPECIAL EDUCATION INSTRUCTION	\$633,361	\$653,287	\$645,346	-2%
Speech/Related Services	\$196,348	\$192,046	\$166,899	18%
Extraordinary Services	\$90,177	\$81,366	\$61,889	46%
Special Education Tuition	\$747,253	\$651,238	\$431,920	73%
Other Support Services - Special Services	\$494,058	\$436,475	\$395,445	25%
SUBTOTAL SPECIAL. ED. EXPENDITURES	\$2,161,197	\$2,014,412	\$1,701,499	27%
Special Education Transportation	\$172,960	\$174,488	\$120,143	44%

Source: CAFR, 6/2000

Comparing the instructional expenditures (using the most recent statistics available for all districts) for special education programs within the districts, the following table reveals that Roselle Park was next to the lowest in terms of both totals and per pupil expenditures (students with disabilities only).

COMPARISON OF SPECIAL EDUCATION INSTRUCTION EXPENDITURES, 1998-99					
	Roselle Park	Collingswood	Hawthorne	N. Arlington	Somerville
Mentally Retarded – Trainable	\$0	\$13,426	\$0	\$0	\$0
Neurologically Impaired	\$0	\$0	\$0	\$184,700	\$0
Perceptually Impaired	\$111,683	\$0	\$487,711	\$0	\$355,340
Emotionally Disturbed	\$0	\$156,711	\$0	\$0	\$0
Multiply Handicapped	\$0	\$256,334	\$0	\$103,736	\$0
Communication Handicapped	\$0	\$0	\$0	\$0	\$155,554
Resource Room/Center	\$505,715	\$607,059	\$735,682	\$313,787	\$518,872
Preschool Handicapped	\$35,889	\$83,806	\$134,248	\$0	\$163,006
Total Special. Ed. Instruction	\$653,287	\$1,117,336	\$1,357,641	\$602,223	\$1,192,772
Enrollment, Sp. Education (D.O.E.)	241.5	259.0	275.0	242.0	178.0
Per Pupil Expenditures	\$2,705	\$4,314	\$4,937	\$2,489	\$6,701

Source: Districts' CAFRs, 6/99

IDEA

Each year Roselle Park applies for its full allocation of Federal flow-through funds under the Individuals with Disabilities Education Act (IDEA). The district uses these funds to support additional costs associated with special education.

For Fiscal Year 2000, the district designated its IDEA, Part B basic flow-through funds (\$190,284) for teacher salaries, professional development, and instructional materials. IDEA preschool funds, in the amount of \$10,826, were applied toward the salary of the teacher for the preschool disabilities program.

SEMI

At the time of the visit by the review team, Roselle Park was not enrolled in the Special Education Medicaid Initiative (SEMI) program, which allows districts to receive payments for designated services to students with disabilities who are eligible for Medicaid. Claims for reimbursement can be filed for each session of speech/language service, occupational, or physical therapy, for each administration of medication by a school nurse, as well as for assessments done by the child study team and each IEP meeting. The district could also participate in the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) program, which provides payment for a variety of activities conducted by health-related school staff.

Recommendation:

It is strongly recommended that the district contact the New Jersey Department of the Treasury, Division of Administration, for information and support as needed, to begin the process of participating in SEMI and EPSDT. Based on the projected number of students with disabilities who are identified as “low income” on the October, 1999 ASSA, approximately 24 students from Roselle Park are estimated to be eligible for Medicaid.

The resulting payments from SEMI could generate an estimated \$6,000 annually. Payments for activities covered under EPSDT would also bring in additional revenue to the district, although an amount can only be estimated after the required time study by district personnel has been completed.

Revenue Enhancement: \$6,000

Basic Skills Program

To address identified remedial needs of students in reading, writing, and/or mathematics, districts are required to provide programming, generally referred to as basic skills/remedial instruction. Funding to support this type of program may come from federal, state, or local sources, or commonly as a combination of the three.

The district Title I allocation, budget, and program goals/objectives are incorporated into the Consolidated Application for Improving America's Schools Act (IASA), which also includes Title II, Title IV, and Title VI. (Grant funds as a whole are addressed separately in the report of the review team.) While the overall IASA plan is developed for a three-year period, the eligibility of individual schools to receive Title I funding is reviewed by the district annually. Regardless of funding source, the basic skills/remedial program operation and student selection criteria are identical at all the elementary schools in Roselle Park. For the 1997-98 and 1998-99 school years, the focus of the review team's comparative fiscal analysis, Title I funds were used only at the Aldene School to support staff salaries in the program. In October, 1999, there were 89 Aldene students reported as "at-risk" based on their eligibility for free lunch.

In Roselle Park, basic skills/remedial programs are organized under the supervisor of curriculum, instruction, and funded programs. Coordination of curriculum development and various grant applications and monitoring also fall under this position. Based on data from the 1999-00 school year, there were 263 students in grades one through seven participating in basic skills/remedial programs. An unduplicated count of students in the high school was not available.

District expenditures, from local funding only, for basic skills/remedial programs for the past three audited years are shown below.

ROSELLE PARK- BASIC SKILLS EXPENDITURES			
	1999-00	1998-99	1997-98
Salaries, Teachers	\$249,155	\$316,796	\$320,644
Other Salaries for Instruction	\$24,040	\$22,497	\$23,012
General Supplies	\$3,208	\$8,604	\$7,720
Basic Skills/Remedial - Total	\$276,403	\$347,897	\$351,376

Source: Comprehensive Annual Financial Reports (CAFR), 6/00

Students are determined to be eligible for remedial instruction on the basis of multiple measures. Standardized tests are administered throughout the district each year. In grades 4, 8, and 11, for which there are statewide assessments developed by the New Jersey Department of Education, a student's need for remedial programming is determined using the results on those instruments. In grades for which there is no state-mandated assessment, the Stanford Achievement Test (SAT9) is given. Eligible students are identified on the basis of scores below minimum levels of

proficiency previously established by the State Department of Education (DOE). Teacher input and parental requests are also considered. A recommendation by the pupil assistance committee, or PAC, in each of the schools may also lead to a student's placement in the program.

Basic skills/remedial programs in the district vary with the grade of the students and the subject being addressed. First grade students with reading deficiencies receive individual (1:1) instruction in the reading recovery program, while those with less of a weakness in reading skills participate in literacy groups, using the same methodology as reading recovery in a small group (1:4) instructional setting. In other grades and in other subject areas (language arts and mathematics), students participate in basic skills/remedial programs through a combination of pullout instructional sessions and support, either in the regular classroom or separately. Scheduling in the elementary schools is done by each building principal in conjunction with the instructional staff, in an effort to maximize the effectiveness of the program while minimizing interference with the other subjects and activities of the students. Students may participate in additional basic skills/remedial programming after school, through the district's W.I.S.E. (Widening Interest in Student Education) program.

In the middle school, students are homogeneously grouped in reading classes, and there is no separate remedial instruction provided. For writing (language arts) and mathematics, identified students attend a remedial class before the start of the regular school day, as part of the W.I.S.E. program. Those classes are not held every day, so students are also able to participate in other activities conducted during that time period. At the high school level, identified students are scheduled for basic skills/remedial classes in mathematics and/or language arts literacy (a combination of reading and writing) in addition to their regular English and mathematics courses.

At the elementary school level, each building has two full-time contractual teachers and another certified staff member paid on an hourly basis to provide remedial instruction/support. Basic skill teachers in the middle school and high school are staff members from the English and mathematics department who have one or two periods of remedial classes as part of their assignment.

Since Title I is a major source of funding for basic skills/remedial programs, the comparison of expenditures across districts includes both Title I and local funds designated for basic skills/remedial, as shown in the following table. Roselle Park is the second highest in terms of both overall expenditures and per pupil expenditures. The reliance on reading recovery, an approach requiring 1:1 instruction in the first grade, adds to higher program costs.

<i>1998-99</i>	<i>Local</i>	<i>Title I</i>	<i>Total</i>	<i>Enrollment</i>	<i>Per Pupil Expenditures</i>
Roselle Park	\$347,897	\$107,491	\$455,388	1,936	\$235
Collingswood	\$173,045	\$189,132	\$362,177	2,027	\$179
Hawthorne	\$586,662	\$46,952	\$633,614	2,236	\$283
North Arlington	\$192,116	\$84,511	\$276,627	1,482	\$187
Somerville	\$110,158	\$147,470	\$257,628	1,538	\$168
Average	\$281,976	\$115,111	\$397,087	1,844	\$210

Sources: Districts' Comprehensive Annual Financial Reports (CAFR), 6/99; and, for enrollment, NJDOE

Recommendation:

Throughout the district, an interest was expressed in improving student performance on standardized tests, including state-mandated assessments and commercial instruments. A review by the district of the current strategies, especially those in the early grades for addressing remedial reading needs, would help determine the efficacy of the approach being used. If students are showing and maintaining significant academic growth following their experiences in reading recovery and/or literacy support, then those relatively costly and intensive programs are worthwhile. If, on the other hand, students are either not demonstrating continued progress or are subsequently requiring additional services (through more basic skills or special education), resources may be put to better use in another fashion.

Guidance

School counselors are responsible for developing comprehensive school counseling programs that promote and enhance student learning. The Roselle Park School District provides guidance and counseling services to all students, grades K-12. The guidance and counseling program is an integral part of the school district's educational program and is consistent with the philosophy of the district.

The high school's comprehensive school-counseling program for grades 8-12 has many components. Major services and activities include:

- academic and personal counseling;
- college and career advisement and planning;
- testing;
- life skills groups and crisis intervention;
- financial aid and scholarship assistance; and
- parent programs.

These services require counselors to deliver individual, small group, and large group guidance; to teach skill development in academic, career, and personal/social areas; to provide consultation, case management, and referral services; and to coordinate, manage, and evaluate the school counseling program. Counselors work with teachers, parent support services, and community agencies to insure student success and well being. The counseling staff is assigned varied activity areas and responsibilities, such as the coordination of the advanced placement program, financial aid workshops, scholarships, and special award programs. Leadership programs such as Governor's School and Boys' State and College/Career Fairs for both students and parents which is organized as a consortium with the neighboring school districts of Roselle and Cranford are special programs conducted by the department. All counselors are 10-month employees and receive an extra stipend for work beyond the regular school year for teachers.

A supervisor, three full-time counselors, one part-time counselor, one secretary, and one clerical aide (hourly basis) staff the high school guidance department. Students are assigned to counselors alphabetically. The supervisor has a 12-month contract that includes assistance to the principal for the preparation of the Master Schedule. Coordination of all aspects of the state

testing program, which includes the Grade Eight Proficiency Assessment (GEPA) and High School Proficiency Test/Assessment (HSPT/HSPA), the Special Review Assessment (SRA) process, and the administrative procedures of the district's annual needs assessment program (Stanford 9 Achievement Test) for grades 9 and 10, is a major responsibility for the supervisor. Additional job responsibilities involve coordinating activities with the district's student assistance coordinator; serving as a member on the high school Student Resource Committee (PAC/CORE Team) which meets weekly; and, organizing and preparing departmental resources and publications. Assignment of approximately 40 senior students helps the supervisor maintain counseling skills and rapport with students, staff, and school needs.

The district also employs a full-time student assistance coordinator (SAC) who is assigned to the high school (four days) and the middle school (one-day) per week. This counselor provides services to students demonstrating "at risk" behaviors. Approximately 100 students, handled on an individual basis, make up the counselor's caseload for both buildings. Some are managed entirely within the school; others are referred to outside providers, e.g., private physicians, and outpatient and residential treatment centers. The SAC participates on both building committees comprised of varied school departmental staff members who meet weekly to help students who are having school related troubles due to alcohol or other drug use problems. The counselor also works with parents, teachers, and community agencies in providing intervention and prevention services. Office space is small and not adequate for group work. The coordinator also administers an employee assistance program for the district.

One counselor and one part-time clerical aide staff the middle school guidance program. One counselor on a weekly rotating basis covers the three elementary schools. Specifically, the counselor's role is to assist students in the development of greater self-awareness, independence, decision-making skills, coping skills, and positive self-regard by conducting peer group and classroom lessons. Topics such as social skills/friendship, self-esteem, conflict resolution, separation/divorce, bereavement, and anger management are addressed. The counselors, as an aid to the teachers and parents, monitor students who are having difficulties learning and completing their assignments. The program provides students, parents, staff members, and community with services that help to promote self-understanding and emerging personal relationships through addressing and resolving problems. It also enables students to identify and pursue individual goals and aspirations.

A monthly calendar of major guidance activities has been developed for each school that outlines services and events for students and staff. All counselors maintain monthly activity reports for the administration, which is useful for annual reporting needs and program evaluation. All counselors have personal computers and are awaiting Internet and email services.

The New Jersey Department of Education's Comprehensive Plan for Educational Improvement and Financing recommends the following ratios of counselors to students based upon grade level: High School 1:225; Middle School 1:338; and Elementary Schools of 1:500. For the 1999-00 school year, the high school enrollment of 670 students and the middle school enrollment of 315 students are within recommended state guidelines. The combined elementary school's enrollment of 923 students is not within recommended counselor/student ratio state guidelines.

Guidance and counseling department expenditures for the years 1996-97 through 1998-99 are illustrated below:

**Roselle Park
Guidance & Counseling Services**

Expenditures	1996-97	1997-98	1998-99
Salaries-Professional Staff	\$397,833	\$404,628	\$480,385
Salaries-Secretarial/Clerical	\$60,094	\$39,780	\$41,538
Purchased Professional Services	\$4,614	\$3,215	\$745
Other Purchased Services	\$632	\$105	
Supplies and Materials	\$951	\$2,024	\$2,166
Total	\$464,124	\$449,752	\$524,834

The district has recently hired a director of special services and has reorganized certain departmental functions. The reorganization should take into consideration district wide staffing needs/assignments and appropriate adjustments regarding job descriptions and line and staff relationships. Non-guidance administrative assignments, i.e., middle school counselor coordinating the school's basic skills program, should be carefully considered in the reorganization process as to the impact on bona fide departmental program services and activities.

Recommendations:

A written, comprehensive, developmental, K-12 school counseling curriculum should be developed and implemented district wide. It should include a systematic and planned program delivery that involves all students and promotes and enhances the learning process and be supported by appropriate resources.

E-mail and Internet services should be promptly added to the counselor's personal computers. New technology will enhance counselor knowledge and resources to better serve their counselees.

**Guidance Services
Expenditure Comparisons 1998-99**

	Roselle Park	Collingswood	Hawthorne	N. Arlington	Somerville
Salaries-Professional Staff	\$480,385	\$434,831	\$348,199	\$273,971	\$325,417
Salaries-Secretarial/Clerical	\$41,538	\$77,214	\$29,550	\$65,751	\$37,829
Purchased Prof. Services	\$745	\$4,177	\$1,074	\$16,375	\$0
Other Purchd. Prof. Services	\$0	\$25,636	\$0	\$0	\$0
Other Purchased Services	\$0	\$4,752	\$0	\$521	\$0
Supplies & Materials	\$2,166	\$14,174	\$5,257	\$4,289	\$0
Total	\$524,834	\$560,784	\$384,080	\$360,907	\$363,246
Student Count	1,888	2,248	2,193	1,590	1,801
Cost Per Student	\$278	\$249	\$175	\$227	\$202

Source: School districts' 1998-99 Comprehensive Annual Financial Report (CAFR)

Library/Media Services

A major function of the Library Media Center (LMC) is to provide resources and services to support classroom activities, encourage individual and group research opportunities, foster independent information-access skills, and help students develop life-long learning skills.

Roselle Park has five school library media centers one each in the three elementary schools, the middle school, and the high school. The three elementary schools and the middle school currently share a librarian on designated days of the week. One full-time library clerk is employed in each school. Though only staffed with a half-time librarian, the middle and elementary libraries still remain open or accessible with the aid of the library clerks and teacher supervision all day. All librarians and clerks are ten-month employees.

The roles and responsibilities of each LMC vary according to the grade levels served. The elementary school libraries/media centers function in a teaching capacity for students, offering a program of curriculum integrated skills instruction closely tied to the district's Integrated Language Arts and Technology curriculums. The K-5 Library Media Curriculum Guide covers ten objective areas using directed, guided, or independent teaching techniques and providing instruction to foster competence and stimulate interest in reading, viewing, and using information and ideas. A library volunteer program comprised of parents, relatives, and senior citizen's assist in the libraries and also read to the younger students.

The middle school library media center concentrates more on developing research skills. Practical application is made across the curriculum by means of research projects. This is accomplished through class, small group, and individual instruction. Age-appropriate topics such as use of the library, types of books, bibliographies, and use of encyclopedias are covered. Some advanced reference tools and research techniques are stressed. Classroom teachers commonly take their students to the library to work on research projects.

At the high school level, the library is under the supervision of one full-time library media specialist (LMS). Staffing also includes one library clerk and one parent volunteer who help out two hours per week. The library facility provided an inviting climate conducive to learning and was aesthetically pleasing and user-friendly. The high school library has the most and best technology; a significant improvement accomplished last year was the purchase of 15 computer stations with two dedicated printers, software, CD-ROM programs, and Internet connections for student/staff usage. Only the card catalog system in the high school is automated, the district libraries are neither linked to each other or to the municipal library. Presently, email and inter-school, municipal, or county networking are not available.

The high school LMS also works closely with supervisors and teachers to coordinate book purchases in order to correspond to existing curriculum (book collection numbers about 8,000). With the arrival of technology and Internet access, the LMS reported that most faculty members are requesting information regarding Internet sites that best fit their subject and student needs. Consequently, the librarian is involved in ensuring that teachers and students have access to high-quality licensed databases from which current, authoritative information may be obtained. Online subscription programs for encyclopedias, almanacs, etc. which includes frequent updates will take the place of annually buying new CD-ROMs for the same programs.

The review team visited each library/media center in all of the schools. The elementary and middle school facilities are somewhat antiquated but appear to have enough space to accommodate a class, as well as other individuals who wish to concurrently visit the library. The exception is the Aldene School. The library is small and cramped, and can be easily overcrowded. Due to limited school space district wide, all of the LMCs are used for small group instruction needs over the course of the school day. The library in the middle school also houses two copiers for administrative and faculty use. The computer lab in the Sherman School with 20 stations is in the library facility. The high school library conference room is used for ESL classes. All of these factors impact on the normal library/media functions and services.

A comparative analysis of library/media services expenditures is illustrated in the following charts:

Media Services/School Library Expenses 1997-98

Demographic Groups	Comparison Groups	Per Pupil Cost	Percent of Total Current Expense	Rank of Roselle Park
District	Roselle Park	\$160	2.04%	
State	New Jersey	\$114	1.55%	76 of 550
County	Union	\$94	1.29%	5 of 20
Socioeconomic Status	Low/Moderate	\$107	1.53%	23 of 167
Enrollment Group	K-12, 1-2,999	\$130	1.67%	26 of 111
Grade Plan	K-12	\$108	1.46%	33 of 211

Source: New Jersey School Boards Association Cost of Education Index

Note: Socioeconomic Status-DFG CD & DE

The above chart allows one to compare district expenditures to the average expenditures of similar type districts. For example, the state average gives a good judgement of where the district stands in relation to the entire state, Roselle Park's rank for library/media services among 550 other districts in the state (76th of 550). This same logic applies to the other comparison groups.

Educational Media Services/School Library Expenditure Comparisons 1998-99

Expenditures	Roselle Park	Collingswood	Hawthorne	North Arlington	Somerville
Salaries	\$255,506	\$244,654	\$235,200	\$27,264	\$196,897
Purchased Prof. & Tech. Svcs.	\$0	\$350	\$0	\$4,990	\$0
Other Purchd. Services	\$0	\$6,303	\$0	\$	\$0
Supplies & Materials	\$46,421	\$33,378	\$10,814	\$12,167	\$24,750
Other Objects	\$0	\$0	\$0	\$0	\$6,412
Total	\$301,927	\$284,685	\$246,014	\$44,421	\$228,059
Student Count	1,888	2,248	2,193	1,590	1,801
Cost Per Student	\$160	\$127	\$112	\$28	\$127

Source: School districts' 1998-99 Comprehensive Annual Financial Report (CAFR)

Per pupil costs of library media services is relatively high as noted in above charts. Salaries represent 85% of total costs of library media services. Average salaries of the LMSs approximated \$62,700.

Recommendations:

A major goal of school library media centers is to teach students how to access and evaluate information in order to use it efficiently. Information must be timely to be useful. Internet on-line sources of information are most current. The district should provide more libraries Internet accessibility, particularly to its elementary students. The district should also take steps to expedite the automation of the card catalogs in all the elementary schools, to link them to each other, and to the municipal library, to better serve its students.

As addressed in other sections of this report, the facilities at the Aldene School need improvement, including some provision for expanding the school's library. Some alternative plan should be developed and implemented to relieve the overcrowding in the library, as well as other areas of the Aldene School. The remaining elementary and middle school library facilities are also in need of refurbishing and upgrading.

Athletics & Extracurricular Activities

The Roselle Park School District provides students with a wide array of athletic and other extracurricular activities primarily for its high school and middle school students. The coaching and extra-curricular advisory staff is primarily comprised of teachers, who receive additional compensation as per the negotiated salary guide for this service.

Athletics

The district employs a full-time 12-month athletic director (AD) housed in the high school, who in addition to responsibility for the coordination and administration of the district's athletic programs is also responsible for administering the high school's discipline program for eighth grade pupils. This latter responsibility reportedly requires a substantial amount of his time and effort. A full-time 10-month clerical position is assigned to the AD to assist him with both areas of responsibility, as well as clerical assistance to the high school physical education/health/driver-training department. The AD is also responsible for athletic equipment, schedules, arranging transportation for away events, building activities usage for clubs and outside groups, monitoring participation levels in various sports programs, and supervising coaches. One of the high school's physical education teachers is the athletic trainer who receives a stipend for his services.

The coaches submit requests for athletic equipment and supplies to the AD. The athletic director, in turn, submits them to the board of education office, where the items are put out for bid. The AD and coaches evaluate the bids and submit their recommendations to the board office for purchase.

The athletic program for the 1999-00 school year consists of 21 individual interscholastic sports; most of which are broken down into varsity, junior varsity, freshman, and middle school levels as well as girls' teams and boys' teams where appropriate. Coaching positions include 16 head coaches (including cheerleading) and nine assistant coaches.

The AD handles procedures relative to athletic gate receipts and expenditures. These funds are deposited into the general fund and carried in the high school Activity Account. Records of gate receipts and expenditures for officials' fees and security costs are maintained and accounted for by the athletic director. The Roselle Park High School Booster Club (Dad's Club) conducts fund raising activities to support the athletic program. These funds are accounted for by the club membership and are generally used to purchase equipment or to provide student athletic scholarships.

Extracurricular Activities

Approximately 27 extra-curricular clubs or activities are available to the students in the high school; this includes areas such as marching band, instrumental music, chorus, art, drama, the school newspaper, and yearbook. Student council, peer leadership/mediation, and the National Honor Society are just a few representative areas that offer student leadership opportunities. The work-study business and marketing chapters provide occasions for students to participate in regional, state, and national events. Advisors to these clubs and organizations are paid a stipend as reflected in the teachers' contract. There are two levels of stipends paid for each position; one is for staff members new to the district and the other level is for current staff.

The middle school grades six and seven interscholastic program provides for girls in basketball and softball, boys in basketball and wrestling and for boys and girls in soccer and track. The athletic director oversees the program. The middle school activities program offers an opportunity for students to cultivate and expand their interests. Major areas are the school newspaper, student council, cheering, and the audio-visual club. The number of activities depends upon student interest and the number of faculty sponsors available. Intramural sports at the elementary schools and the middle school are conducted through the physical education program and overseen by the building principals.

According to the Department of Education's March, 2000 Comparative Spending Guide, Roselle Park ranked 65th highest out of 76 districts of similar operating type (K-12 with total enrollment of between 1,801 and 3,500 students) for extracurricular costs for the 1998-99 school year. This category includes the amounts associated with athletics and co-curricular activities such as entertainment, publications, clubs, and band. It includes salaries paid to coaches and advisors and any monies paid to doctors for sports physicals or game officials along with any associated costs for equipment and supplies related to these activities. The district spent \$270 per pupil, representing 3.2% of its budget on these extracurricular costs. Collingswood spent \$250 (3.4%), Hawthorne \$180 (2.2%), and Somerville spent \$419 (4.2%) in this cost area. All per pupil costs are above the State's average of \$152 per pupil for operating type K-12.

Recommendations:

The district should continually analyze the number of participants as well as associated costs of each activity in an effort to control costs.

Driver Education

The physical/health education department conducts a driver education program for sophomore students that includes classroom instruction for two marking periods. The classes focus on fundamentals and basic rules of driving. The state written test is offered, and if passed, students can take behind the wheel driver training at their own expense.

Health Services

Each of the district's five schools is staffed with one full-time certified school nurse who reports to the building principal. All nurses, including the nurse's aide in the high school, are 10-month employees. General oversight of health services falls under the direction of the director of special services, who is located in the central administrative offices. One school physician serves the elementary schools and another covers the high school. Physician services are mainly performing student physical examinations and consulting on health issues as needed. Sports physicals for students participating in interscholastic and intramural activities are coordinated between the athletic director and school nurse. An additional nurse and the school doctor receive a stipend for this activity that is usually conducted in June. Students may elect to have their own physician perform the required physical examination at their expense. The school doctor administers Mantoux testing and mandated Hepatitis B vaccination series for certain specified employees, by appointment. For this school year, drug testing is administered via a third party contracted by the board of education.

The primary functions of the nurses include general student care (illness and injuries), administering individual medications, conducting screening for physicals, coordination of inoculations, and in-service training. The school nurses also serve as members of the Student Resource Committee (PAC/CORE Team) in their schools and most meet on a weekly basis. Substitute nurse services are generally not difficult to secure. If a substitute is not available, a "buddy school" assignment has been established amongst the school nurses for student medications and emergencies.

The Crisis Intervention Program is a unique service that operates out of the high school nurse's office and is conducted by the social studies department. This student support service assists in the areas of physical and mental health. Volunteer teachers, the nurse, and students who have completed crisis training as peer counselors provide help to troubled students. The high school nurse is also the facilitator for the Health Careers Club and receives a stipend for this after school activity.

The director of special services, who is new to the district, meets monthly with district nurses. These group sessions provide planning time for much needed revisions and updating of the School Nurse's Manual, job descriptions, and school/district reporting forms.

Comparative program costs are illustrated below:

**Health Services
Expenditure Comparisons 1998-1999**

	Roselle Park	Collingswood	Hawthorne	N. Arlington	Somerville
Salaries	\$238,839	\$171,874	\$226,592	\$119,537	\$187,314
Purchd. Prof./Tech. Servs.	\$4,247	\$24,000	\$9,300	\$18,138	\$15,382
Other Purchd. Services	\$225	\$378	\$1,553	\$0	\$1,539
Supplies/Materials	\$4,546	\$3,903	\$2,798	\$3,450	\$2,101
Total	\$247,857	\$200,155	\$240,243	\$141,125	\$206,336
Avg. Daily Enrollment	1,888	2,248	2,193	1,590	1,801
Cost Per Student	\$131	\$89	\$110	\$89	\$115

Source: Districts' Comprehensive Annual Financial Report (CAFR)

Roselle Park's total overall health services costs per enrolled student were \$30 higher than the average of the four comparable districts. This amounts to an extra health services cost of \$56,640 for the district. Payroll information and contractual salary guides indicate that the majority of school nurses are paid closer to the top of the salary guide.

The nurse's office at the Aldene School, a former book storage closet, is located in a space that is completely inadequate for its prescribed use. There is no toilet in the room or private space for testing or examination. The room is not accessible to the physically handicapped. The nurse's office in the Sherman School is small, cramped, and generally insufficient.

Recommendation:

The team recommends that provision be made as soon as possible for larger and more appropriate space for the nurses' offices.

BUSINESS OFFICE OPERATION

The Roselle Park School District business office is comprised of the following departments: accounts payable, payroll, and purchasing. The business office staff consists of six employees. The staff includes an executive secretary to the superintendent/personnel clerk, a school business administrator/board secretary, a secretary to the school business administrator, a receptionist/clerk who supports the custodial maintenance director, an accounts payable/purchasing clerk, and payroll/insurance clerk. All business office staff are 12-month employees. The team's review focused on the major job responsibilities of the business office. The team's evaluation was based on interviews and supporting documentation provided by the district.

Clerical Office Staff Major Job Responsibilities

The primary job responsibilities of central office staff are: The executive secretary/personnel clerk is responsible for basic office procedures, and processing information concerning new employees. The secretary to the school business administrator is responsible for board minutes

and requirements for board of education agenda's. The receptionist/clerk handles all incoming calls to the board office and provides clerical assistance to the director of maintenance. The accounts payable/purchasing clerk is responsible for payment of purchase orders, telephone statements, and utility bill payments. This person is also the major buyer for all district needs. The payroll clerk processes in-house payroll services and health benefits for all district employees.

School Business Administrator/Board Secretary

The school business administrator/board secretary (SBA) was hired while LGBR was conducting this report. The SBA reports to the superintendent and is responsible for the supervision and direction of business office staff, custodial services, maintenance, transportation, food service operations, and also serves as the board secretary. Each central office department reports directly to the school business administrator/board secretary.

Procedural Manuals

As of the time LGBR was in the district, the business office did not have a procedural manual for any of its components. There is no state mandate for school districts to have procedure manuals. However, manuals provide clarification for employees and newly hired staff seeking information about specific operations and aid employees in case of an emergency.

Recommendation:

LGBR recommends the district develop a manual of business office procedures. The superintendent and school business administrator should review and implement the procedures. This manual should be reviewed periodically for updates.

Job Descriptions

Based on interviews with support staff, it was noted that the district job descriptions need updating. Several business office employees have updated their own job descriptions as duties performed have increased but these changes need to be officially recognized.

Recommendation:

Job descriptions should be updated regularly, as various positions, duties, and responsibilities are modified.

Salaries

During the 1999-00 school year, the actual salaries for business office personnel ranged from \$24,200 to \$47,900. Salary increased approximately 3.5% between the 1998-99 and 1999-00 school year. The clerical staffing in the central office has not changed for over seven years. The staff does not receive longevity pay.

LGBR commends the district for not giving longevity pay based solely on years of service worked within the district.

Staff Development

Staff development is the key to successful use of technology and office automation. Employees should receive instruction in use and integration of technology in the work place.

Our interviews and observations found that while technology was currently being upgraded district wide, many employees were concerned about the lack of training on computers and technology usage.

The district pays a maximum of \$400 within a three-year contract period for tuition reimbursement in connection with any courses, workshops, seminars, conferences, in-service training sessions, or other such sessions. Although these developmental avenues were available for business office staff, district employees were not taking any coursework.

Recommendation:

The district is making a monetary investment in the professional development of staff. However, a further review of work-related seminars and training sessions should be implemented at the administration level. LGBR recommends that central office administration register staff for future technology training and other related workshops during the summer months, as well as provide on-site training during the school year as a budgeted expense.

Duplication of Effort/Job Descriptions

LGBR noted based on interviews and job descriptions that some of the responsibilities of central office staff were being duplicated. In addition, some of the responsibilities currently being performed were outdated and no longer necessary to perform. The district should consider eliminating some of the paperwork records currently stored on site.

Recommendations:

LGBR concludes that the district would benefit from utilizing the services of business students from the high school to assist with filing and weeding out unneeded paperwork. The district should also consider eliminating unneeded material periodically. Microfilm should be considered as one solution to reduce the large amount of paper retained in the offices and in storage.

The use of high school business students benefits the district while providing practical experience to the students.

The team felt that with the employment of a school business administrator/board secretary during the time of its visit, a thorough evaluation of all central office staff responsibilities should be conducted, and reviewed, while updating and modifying current procedures as needed for today's business office needs.

Cross Training

There is no formal cross training of duties. The workload of most of the central office staff makes providing assistance to other staff members difficult. In addition, many of the central office staff were not fully trained to cover any other job function.

Recommendation:

LGBR recommends the district implement cross training of staff.

Surplus Funds

Surplus is the amount of money held in reserve and left over after the interaction between current year revenues and expenditures. Elements that create surplus money are the amounts of revenues and expenditures in the current budget year and the amount of available surplus from the prior year. A portion of this surplus may be carried into the next year's budget. Accurate budget estimates are vital in order to ensure that appropriate fund balances in accordance with the district's financial plan are maintained to guard against unexpected expenses. Care should be taken to ensure that excessive unexpended balances do not accrue as a result of the district collecting more taxes than necessary to fund operations. The ability to forecast adequate surplus fund needs is a sign of sound financial controls. It should be noted that unforeseen circumstances in a given year might result in a surplus or deficit situation.

The Comprehensive Education Improvement and Financing Act of 1996 (CEIFA) N.J.S.A. 18A:7F-1 - 18A:7F-34, requires that unreserved general fund balance (surplus) not exceed 6% of the prior year's budget expenditures. The state does not require that a minimum fund balance be maintained. However, fund balances are generally maintained between 2% to 6% of total budgeted expenditures to be used in the event of emergencies. If a fund balance exceeds 6% at the end of the fiscal year, the district is required to appropriate the excess amount to the subsequent year's budget for tax relief.

At the time, the school district prepares its budget, it knows the approximate amount of revenue anticipated in the coming year. Over 90% of the Roselle Park's district's revenue comes from local tax levy and state aid. In the three comparison school years: 1996-97, 1997-98, and 1998-99 the district estimated revenues very accurately. There was 0% change between budgeted revenue and actual revenue received.

	Chg.				Chg.				Chg.			
	96-97 Budget	96-97 Actual	Btwn. Bud.-Act.	Chg. in %	97-98 Budget	97-98 Actual	Btwn. Bud.-Act.	Chg. in %	98-99 Budget	98-99 Actual	Btwn. Bud.-Act.	Chg. in %
Total Rev. * \$(M)	\$15,586	\$15,652	\$66	0%	\$16,105	\$16,154	\$49	0%	\$16,187	\$16,216	\$29	0%

*Excludes TPAF amounts to make comparison more accurate.

The majority of the district's expenses are salaries. With the exception of contract renewal periods, salary amounts for all positions in the upcoming budget year are available through contracted labor agreements or annual salaried position amounts. Except for additional staffing needs due to unexpected increases in student enrollment, salaries are very predictable. In terms of salary expenditures, Roselle Park experienced a turnover of seven administrators between 1997-98 to 1999-00. Between 1997-00, there are differences in budgeted versus actual salaries,

which could be attributed to the overestimate of expenses during these comparative school years. Between 1996-97 and 1998-99, the district spent less money than budgeted. For the 1996-97 school year, the district expended \$1,351,000 or 8% less than budgeted. During the 1997-98 school year, the district expended \$1,001,000 or 6% less than budgeted. In 1998-99, the district expended \$828,000 or 5% less than budgeted. Spending less than anticipated increases the amount of surplus in the current year, which may be appropriated as revenue for the following year.

		Chg.				Chg.				Chg.			
		96-97 Budget	96-97 Actual	Btwn. Bud.-Act.	Chg. in %	97-98 Budget	97-98 Actual	Btwn. Bud.-Act.	Chg. in %	98-99 Budget	98-99 Actual	Btwn. Bud.-Act.	Chg. in %
Total Expenses*	\$(M)	\$16,444	\$15,093	(\$1,351)	8%	\$17,312	\$16,311	(\$1,001)	6%	\$17,403	\$16,575	(\$828)	5%

*Excludes TPAF amounts to make comparison more accurate.

The following table illustrates the district's budget and actual surplus as a percentage of total expenditures:

Roselle Park School District												
Analysis of Bud. & Act. Surplus As a Percentage Of Total Expenditures \$(M)	Chg.				Chg.				Chg.			
	96-97 Budget	96-97 Actual	Btwn. Budget & Actual	Chg. in %	97-98 Budget	97-98 Actual	Btwn. Budget & Actual	Chg. in %	98-99 Budget	98-99 Actual	Btwn. Budget & Actual	Chg. in %
Total Revenue *	\$15,586	\$15,652	\$66	0%	\$16,105	\$16,154	\$49	0%	\$16,187	\$16,216	\$29	0%
Total Expenses	\$16,444	\$15,093	\$1,351	8%	\$17,312	\$16,311	\$1,001	6%	\$17,403	\$16,575	\$828	5%
Surplus or (Deficit)	(\$858)	\$559	\$1,417	165%	(\$1,207)	(\$157)	\$1,050	87%	(\$1,216)	(\$359)	\$857	239%
Beginning Fund Balance	\$1,664	\$1,664	\$0	0%	\$1,665	\$1,665	\$0	0%	\$1,506	\$1,506	\$0	0%
Ending Fund Balance	\$457	\$1,506	\$1,049	230%	\$458	\$1,508	\$1,050	229%	\$290	\$1,147	\$857	75%
% of Total Expenditures	3%	10%			2.6%	9%			2%	7%		

Sources: (Exhibit B) Roselle Park CAFR * Excludes TPAF amounts to make comparison more accurate.

Recommendation:

In view of the past three year surplus history, LGBR recommends that district officials continue to maintain an actual surplus between 2% to 4% of expenditures. In order to minimize the property tax impact on its citizens, the district should continue to estimate total expenditures closely.

Cash Management

LGBR analyzed the district's management of its cash balances for the 1999-00 and 2000-01 school years. To perform the analysis the 1999-00, and the 2000-01 bank statements were reviewed. In addition, interviews with personnel were conducted. An analysis of 12 monthly bank statements for the major bank accounts was performed to identify average daily balances, fees charged, and interest earned. Adjustments were made for routine bank fees and miscellaneous bank expenses.

Performance measurements were made to compare the total amount of interest earned by the district's current banking institution to the interest rates of the New Jersey Cash Management Fund (NJCMF). Specific findings and recommendations are listed below.

Staffing and Functions

The school business administrator, supported by the accounts payable clerk, is directly responsible for managing 14 general operating accounts. The Treasurer of School Monies performs the monthly reconciliation functions. The treasurer has served in this role for more than 10 years. The treasurer's stipend is \$3,600 a year.

Banking Relationship

The Roselle Park School District operated a \$30 million budget for the 1999-00 school year and maintained 14 accounts in one local bank, in addition to investing in the NJCMF and a local government investment pool.

For over 10 years, one local bank has served as the district's primary bank. The bank maintains an investible bank balance of approximately \$1.2 million monthly for the board of education. Bank fees such as monthly maintenance, check reorder, and overdraft charges are incurred on the general operating accounts.

Recommendation:

LGBR supports the idea of dealing with more than once bank, thus fostering competitive banking services and charges favorable to the school district's needs. Maintaining relationships with more than one bank helps the district to stay informed of new products and services. The team recommends that requests for proposal (RFP) be issued periodically within the banking market to determine which institution offers the best services and can improve interest income. In addition, negotiating with the current bank could result in the waiver of current fees. A written agreement should be drawn up by the current bank, which identifies its banking rights and obligations.

Cash Accounts

Fourteen general operating cash accounts are maintained at one bank: 1) a warrant account which includes the general, special revenue, and food service accounts, 2) capital projects, 3) unemployment trust, 4) payroll, 5) payroll agency, 6) retirement, 7) summer camp, 8) adult education, 9) board special account, and one student activity account for each of its five schools. Interest of approximately 5.8% is earned on the consolidation of the 14 general operating cash accounts. Approximately \$29,000 in interest was generated from a local bank for fiscal year 2000-01. The estimated average monthly cash balance for the 12-month period was approximately \$1.2 million.

Recommendation:

The district had approximately \$1.2 million in average estimated monthly cash balances. The team compared the interest earnings from the bank accounts with NJCMF after making adjustment for estimated banking fees and a reserve requirement. LGBR concluded that the district is receiving a good rate of return on its operating accounts.

Student Activity Accounts

A student activity account exists for each of the five schools. One employee from each school maintains the account by reconciling the monthly bank statements and making deposits as needed. A stipend is paid for this duty. For three consecutive school years, since 1996-97, the Auditor's Management Report found that some student activity accounts were not being reconciled in a timely fashion.

Recommendation:

Additional steps should be taken to ensure that student activity accounts are properly maintained.

Investments

The Roselle Park School District invests through the New Jersey Cash Management Fund (NJCMF). Over an eight-month period during the 2000-01 school year, monthly cash balances of approximately \$797,000 were invested, which earned approximately \$38,300 in interest. Another local government investment pool was utilized beginning in December, 1999. The team compared the interest amounts during the 2000-01 school year during which the district withdrew money from the NJCMF to invest in the local government investment pool. LGBR's analysis concluded that the district earned interest averaging 3.9% for a total of \$16,200 compared to 5% interest earned in the NJCMF. An additional \$5,000 could have been earned if the monies were retained in the NJCMF.

Recommendation:

LGBR commends the district for investing a larger portion of their money in the NJCMF. The team concluded, however, that an additional \$5,000 could have been earned for the same period if monies were retained in the NJCMF. LGBR recommends the district continue to monitor its return on investments to ensure that rates competitive with those of the NJCMF.

Revenue Enhancement: \$5,000

Grants

The special revenue fund accounts for the proceeds of specific revenue sources (grants) that are restricted to expenditures for specific programs or projects. The federal grants portion of these special revenue funds are entitlement grants that are funds provided on the basis of a formula. The formula is usually based on such factors as population, school enrollment, low-income pupils, or a specific need. Applicants do not compete for these funds.

The state grants portion represents those areas funded under the Comprehensive Education Improvement and Finance Act of 1996. CEIFA aid includes a uniform per pupil regular education spending amount based on a set of assumptions regarding the instruction achievement of the Core Curriculum Content Standards.

Special Revenue Fund	1997-98	1998-99	1999-00
Federal Grants			
Title I-Basic Skills	\$83,162	\$107,491	\$162,503
Title VI-Innovative Program Strategies	\$6,613	\$7,404	\$7,885
Title VI-Class Size Reduction	\$0	\$0	\$17,633
IDEA Part B-Basic	\$129,250	\$155,865	\$184,830
IDEA Part B-Capacity	0	0	\$5,454
IDEA Part B-Preschool	\$11,780	\$13,121	\$10,826
IDEA Part B-Basic Carryover	\$0	\$0	\$2,550
Title II-Professional Development	\$5,829	\$5,494	\$6,985
Title IV-Safe & Drug-Free Schools	\$8,172	\$8,947	\$6,808
JTPA	\$33,827	\$33,889	\$30,586
Emergency Immigrant	\$10,003	\$14,391	\$14,234
Total Federal Grants	\$288,636	\$346,602	\$450,294
State Grants			
Instructional Supplemental Aid	\$89,499	\$101,616	\$94,209
Distance Learning Network Aid	\$81,088	\$78,720	\$79,776
Demonstrably Effective Program Aid	\$88,887	\$183,568	\$93,560
Teacher Recognition Award	\$125	\$72	\$125
Total State Grants	\$259,599	\$363,976	\$267,670
Local Grants			
Donation One	\$7,224	\$6,449	\$6,979
Button Grant	\$0	\$1,000	\$0
Italian Grant	\$0	\$8,000	\$0
Heart Grant	\$0	\$3,000	\$3,000
Access 2000	\$0	\$55,800	\$2,000
Balaban Donation	\$0	\$0	\$1,200
Pocket Park	\$0	\$0	\$40,000
Total Local Grants	\$7,224	\$74,249	\$53,179
Total Grants Awarded	\$555,459	\$784,827	\$771,143

The newly appointed supervisor of curriculum/instruction and funded programs oversees the administration of most federal and state grants. A major federal grant area for entitlement funds must be submitted via the Improving America's Schools-Consolidated Grant, which includes Titles I, II, IV, and VI. The supervisor of special services administers the federal special education IDEA grants. The NJ Department of Education Office of School-to-Career and College Initiatives administers the Job Training Partnership Act (JTPA) which is a funded program to promote work-based learning and train students for labor demand occupations.

The Emergency Immigration Act of 1984 assists eligible districts that experience large increases in their student population due to immigration. These funds are applied to the bilingual education program.

Since the 1997-98 school year, the district has received state restricted or categorical aid from CEIFA. The Demonstrably Effective Program Aid (DEPA) is allocated on a formula basis of low-income students for schools with at least a 20% low-income concentration rate. The aid cost factors were \$300 per pupil. DEPA funds have been applied to the Ernest J. Finizio, Jr.-Aldene

Elementary School and/or the middle school. Instructional Supplement Aid is based on the total number of low-income students ranging from 5% to 20%. The district received \$339 per pupil. These funds have been applied to various programs such as Reading Recovery, summer curriculum writing, professional development, etc. Distance Learning Network Aid is allocated to districts based upon estimated student enrollments. The aid was set at \$40 in 1997-98. This allocation has been used to secure computer hardware and software, computer supplies, and a lease payment for an integrated learning system at the Sherman Elementary School. It should be noted that the per pupil rates for these state funds are adjusted for inflation by the Consumer Price Index (CPI) in each of the years following the initial year.

Overall, the largest expenditure in monies received in Roselle Park from both federal and state grants are for salaries and employee benefits for instruction and support services averaging 72.6% for the three years as illustrated in the previous chart.

Local grants represent various donations contributed to the board of education from community associations or groups. These monies are applied to specific project areas for the district schools. Two large grants which the district received were the Access 2000 donation (\$55,800 in 1998-99), a county matching grant program to assist in purchasing computers and networks for classrooms, and the Pocket Park donation (\$40,000 in 1999-00), municipal funds used for the refurbishing of the tennis courts at the Green Acres Athletic Complex.

Most grants allow for carry-over funds. Carry-over funds are monies the recipient has not obligated by the end of the project period for which the funds were awarded. These funds remain available for continued use for the expenditures during the next project period. The CAFR indicates that \$2,550 of federal IDEA funds was unexpended in 1998-99 and has been carried over to the 1999-00 fiscal year. If these funds are not expended they must be returned to the grantor. A review of the past three fiscal years (1996-99) indicated that no funds were returned to grantors in that time period.

Our review of federal and state funds indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved. The district makes a concerted effort to expend all monies from grants and state aid in the same year they are allocated.

Purchasing and Account Payable

The Roselle Park School District processed approximately 3,160 purchase orders in 1999-00. The district uses a purchasing software program and a spreadsheet tracking system. One employee handles the purchasing function for the school district. The purchasing clerk is also the accounts payable clerk. This employee has served the district in this dual capacity for more than 20 years.

LGBR feels that the district maintains adequate purchasing order procedures. The procedures are: A request is made at the school level, prepared by the school's office staff, and signed by the principal before being sent to the board office. The purchasing clerk assigns a requisition

number. The purchasing request data is keyed into the software system after being signed by the superintendent. A bill list is prepared for the regular board meeting review. Once approved, checks are generated for payment, signed with three signatures, and mailed to vendors.

The purchasing clerk prepares and issued end of the month reports such as: check journals, expenditure reports, trial balances, the board secretary report, and journal entries.

The district works with other government agencies to reduce costs by establishing joint, inter-local, or other purchasing agreements.

The district has participated for seven years in a cooperative consortium of school districts to receive the best price for the purchase of services, materials, and supplies. The vendor meets all of the terms and conditions of the state contract. On average, the cooperative group purchase items up to 50% below private vendor contract prices.

The district purchases its natural gas from the Union County Educational Services Commission for Cooperative Purchasing of Natural Gas Services. This results in cost savings.

A history of financial transactions and student records are housed in the central office basement for record retention. The district does not have a limitation on the number of years files will be kept in the warehouse. The department of education does not have a mandate on how long files should be kept, however, the district should consider an alternative method to storing data before its warehouse becomes overfilled with paperwork.

Recommendation:

LGBR recommends that the district consider microfilm as an alternative method of storing data. Microfilm is a one-time cost and reduces the amount of paperwork.

Payroll

The Roselle Park School District has used an in-house payroll system for more than ten years. Prior to 1990, the district used a private payroll service. One payroll clerk performs the administrative functions for check processing, federal and state tax deductions, database maintenance, payroll check printing, and other payroll reporting for approximately 500 employees and substitutes. The payroll clerk is also responsible for the coordination of all health and dental benefits.

During the time that the LGBR study was conducted, the payroll and health benefits work area appeared too small for the amount of paperwork required for these responsibilities. LGBR felt that the lack of space in the central office building severely hampered payroll operation. There did not seem to be adequate filing space for the current files needed for payroll and health benefits. Storage space was available to the staff in the board of education office basement. Payroll staff periodically performed filing tasks after other time consuming payroll responsibilities were completed. However, filing assistance seemed needed.

Payroll is processed for all district employees twice a month. Employee time sheets are received through interoffice mail. Authorized staff is instructed to mail the time sheets to the central office five days prior to payroll generation. This important requirement is not always followed; thus the payroll-input process takes approximately three days to complete. In the past, the district had attempted to impose a cut off date for the receipt of the time sheets, i.e., the morning mail prior to the week before employee pay periods. However, this was unsuccessful due to the volume of complaints from employees who were not paid due to payroll forms that were not completed and furnished to the central office on time. This situation causes excessive overtime hours for the one staff member who handles payroll. When the team requested overtime documents to analyze extra hours worked, LGBR learned that the clerical employees do not receive overtime pay.

The district has used the payroll software program since approximately April, 1999. The payroll employee is satisfied with the software program, but not satisfied with the help-service line. Back-up data is stored on tapes. The payroll supervisor proofreads the check journal to look for any errors before a final payroll run is generated.

After timesheets have been entered, payroll is generated to process a payroll run. Checks are printed in-house. In the past, students were used to verify that each employee received a check, fold checks, stuff envelopes, and perform filing tasks. However, this assistance was discontinued approximately one year ago with the implementation of new central office administration. The assistance by student workers was deemed inappropriate for the confidential nature of the work. The district has not instituted any form of replacement assistance in this area. As a result, overtime hours are worked to complete the task. The checks are picked up at the board office. All agency account checks (i.e., tax shelter, disability, taxes, etc.) are prepared using a different software program and sent to the appropriate companies.

The district employs additional part-time staff, along with the help of student aides, during the summer months for the summer camp and summer printing programs. These temporary workers were also paid bi-weekly.

The approximate salary and benefit cost to operate the in-house payroll service for Roselle Park is \$50,000. However, this is not a total cost because overtime is not identified. Using an out-sourced payroll service would cost the district approximately \$24,000 to service 500 employees.

Recommendations:

Performing payroll functions internally has some positive features. One benefit is that the payroll staff is knowledgeable of the intricacies and special needs of all district employees. However, out-sourced payroll companies are now equipped to provide school districts with comparable services. A private provider would receive the payroll data through the computer server and mail the checks via an overnight service. The cost for this service is already included in the service fees.

LGBR recommends that the district consider a private payroll provider if costs per employee per pay period can be obtained at \$2 per person or less. The out-sourced payroll

provider would decrease the amount of paperwork processed, free up central office space, provide end-of-year required statements, eliminate the need for overtime, and provide time in the employees workday to complete filing and other related tasks.

Value Added Expense: \$18,000

Duplication of Effort/Job Descriptions

LGBR noted based on interviews and job descriptions that some of the responsibilities of central office staff were being duplicated. In addition, some of the responsibilities currently being performed were outdated and no longer necessary to perform. The district should consider elimination some of the paperwork records currently stored on site.

Recommendations:

LGBR concludes that the district would benefit from utilizing the services of business students from the high school to assist with filing and weeding out unneeded paperwork. The district should also consider eliminating unneeded materials periodically. Microfilm should be considered as one solution to reduce the large amount of paper retained in the offices and in storage.

The team felt that with the recent employment of a school business administrator/board secretary a thorough evaluation of all central office staff responsibilities should be conducted and reviewed, updating and modifying current procedures as needed for today's business office needs.

SERVICE CONTRACTS

Legal

A new board attorney has been retained by the Roselle Park School District for the 2000-01 school year. The contract term is for one year effective May 31, 2000 through April, 2001. The annual fee for service is \$30,000, which is prorated and paid on a monthly basis. The contract includes the attorney's appearance at a maximum of 12 board meetings per year and legal counsel.

The district had a contract for several years with an attorney to perform legal services for an annual fee of \$35,000. The team compared the two contracts. Both contracts offered the same services.

At the time LGBR conducted its review, the district had not received a full-service contract, which states the hourly rate for legal representation not covered under the current contract, such as a major litigation against the district. The district has not had any major litigation in the last three years. A team of board members negotiates agreements with employee labor organizations. The board attorney is not present at the negotiation table.

Most school districts' legal costs vary from year to year due to costs of negotiations and major litigation. A review of 1999-00 legal expenses of comparative districts including Collingswood, Hawthorne, North Arlington, and Somerville indicated that Roselle Park had the lowest legal expenses.

1999-2000	
School	Actual
Roselle Park	\$17,500
Collingswood	\$76,208
Hawthorne	\$30,500
North Arlington	\$40,345
Somerville	\$92,375

Recommendations:

LGBR's review of the district's legal expenses indicated that the district is taking action to keep legal expenses to a minimum. The change to a new attorney with a one-year contract term resulting in a lower annual fee should produce immediate savings for the district. The district is to be commended for being cost conscious.

LGBR recommends that the district survey other school districts in the surrounding area to determine the hourly rates charged for full service legal contracts in the future.

INSURANCE

Property & Casualty

The district is a member of a local joint insurance fund (JIF) for property, casualty and workers' compensation insurance. The JIF has served the district favorably over the past six years. LGBR was in the district during the second year of a three-year contract. The cost of workers' compensation coverage is based upon the frequency and severity of claims. The team performed an analysis of workers compensation claims from 1995 through 2000. To do this LGBR computed the number of claims per year divided by the average costs per claim. This analysis concluded that the incurred ratio assessment appears to be low due to the fact that the severity and frequency of claims have decreased over time. This assessment is attributed to less loss time from work for the injuries reported and less medical costs per claim.

Accident prevention is important in order to provide a safer workplace and reduce costs. A representative of the insurer and the maintenance supervisor inspect the buildings and grounds on a routine basis to ensure that safety practices are being observed. Safety meetings with personnel are scheduled annually. As a result, the district has not incurred any major claims over \$10,000 over a six-year period. Major claims over \$5,000 have been reported for carpal tunnel syndrome, and assault. The financial data indicates that approximately 9-14 people are injured every year, which is less than 5% of the total amount of district employees. The team commends the district for its success in maintaining a safer workplace.

During the 2000-01 school year, the district's cost as a member of the JIF was \$152,000. This was a 5% increase over the costs in 1999-00, but below the market rate. The major cause for the rise in costs between years was due to coverage changes. Another factor of the increased costs was that the market became more expensive. It is beneficial to the district to compare the costs and fees of the JIF to its competition in the marketplace. This will ensure that costs will be kept to a minimum. Overall, the district is saving considerably by being a member of a JIF. The district should continue to save for the following reasons:

- The JIF emphasizes risk prevention. Members of JIF insurance coverage save money on future coverage rates if their claims are continually low.
- Members of a JIF receive financial advantages through mass purchasing with more than 150 New Jersey school districts involved.
- A risk manager receives approximately 6% commission compared to 10% for full insurance commission for workers compensation.

Note: Health insurance costs are a major expense for the Roselle Park School District. LGBR's analysis and recommendations regarding health insurance can be found in Part III, "Collective Bargaining Issues".

FACILITIES & OPERATIONS

Maintenance Overview

The care and feeding of aging educational facilities has become a nationwide issue as turn-of-the-century buildings reach the end of their effective "life-span" and funds for replacement buildings are in short supply. The State of New Jersey has taken a major step toward easing this burden with the enactment of the Educational Facilities Construction and Financing Act, but it will be many years before the majority of school districts in the state realize substantial relief through those state funds. In older communities there is little in the way of unbuilt land for new construction. The inevitable questions remain regarding cost-effective methods of maintaining inadequate infrastructures while providing a relatively sound, safe, and energy-efficient school environment for students. Efficiencies and cost-cutting measures must necessarily consider the health and safety of students and staff while maintaining acceptable spending levels.

The Roselle Park School District instructional facilities consist of approximately 278,900 square feet of space in five facilities. The general observed condition of the buildings is fair to good. All of the facilities are over-crowded, and many of the areas utilized for offices serve a dual use as storage areas.

Roselle Park-School Facilities Profile

School	Year Constructed/Addition	Grades	Square Footage	Acreage
Aldene Elementary	1921/1952	K-5	32,740	2
Gordon Elementary	1908	K-5	40,980	2
Sherman Elementary	1912/1928	K-5	29,830	1.3
Middle School	1930	6-7	56,800	5
High School	1963/1993	8-12	118,600	19

Maintenance Operations

The director of buildings and grounds manages the maintenance and custodial operations with the assistance of a head operations custodian and a maintenance foreman. The remainder of the organization includes three maintenance workers, two groundskeepers, and seasonal employees hired on an as-needed basis. A secretary in the business office performs clerical duties for the department.

An additional employee of the department is referred to as a “driver” whose duties include mail delivery, custodial relief, pick up and delivery of mail, etc. This employee is also responsible for the delivery of school lunches. The portion of this employee’s salary representing time expended in delivery of lunches should be charged back to the Enterprise Fund.

Maintenance of the district vehicles has been assigned to one of the maintenance workers who performs as much of the preventive and repair work as is possible without a garage facility. The district owns four vehicles and approximately 10 large pieces of equipment, i.e., tractors and gang mowers. In addition, the department utilizes several smaller lawn mowers, edgers, and blowers. Both the maintenance mechanic and the director monitor the cost of services performed by outside vendors on this equipment.

As noted above, the district employs two groundsmen. However, the sports complex located at the high school, “Herm Shaw Field,” is a Green Acres project and is leased to the Borough of Roselle Park. A portion of the grounds’ salaries and supplies utilized to maintain this facility is budgeted in the community services area of the budget.

The director manages the district’s schools and grounds and reports to the school business administrator. The director has the responsibility for the provision of maintenance, repair, renovation, utilities, and day-to-day buildings, grounds, and custodial services. In addition, he coordinates the long-range facilities planning process in concert with the school architects.

The work order system is computerized, and allows the progress of projects and costs to be tracked effectively. Automated temperature control for the buildings is available in only a portion of the district.

Custodial Operations

Roselle Park employs 15 full-time custodians to clean the district facilities. Supervision of the custodial staff is the responsibility of the building principals in concert with the director of buildings and grounds and the head operations custodian.

Custodial Staffing

Part of the review process identifies custodial staffing needs by using an objective, quantitative, multi-step process based upon the size and use of each facility. The process entails:

- Reviewing any existing district work and time standards for the various cleaning tasks within the school facility.
- Reviewing the custodial labor agreements to determine the number of work-hours within a negotiated workday and then reduce the workday by an off task time allowance factor of 25%. Off task time is defined as scheduled work breaks, interruptions, emergencies, etc.
- Obtaining floor plans of the facilities and inserting task data into the following matrix adopted from “*The Custodial Staffing Guidelines for Educational Facilities*” published by the Association of Higher Education Facilities Officers and “*Good School Maintenance*” published by the Illinois Association of School Boards to determine the total cleaning time for each facility.

TYPICAL SCHOOL AREAS	AVERAGE SIZE SQ. FT.	CLEANING TIME IN MINUTES
CAFETERIA	10,000	150
CLASSROOMS	1,200	15
CORRIDORS	1,000	5
ENTRANCES	112	5
GYMNASIUMS	10,000	45
LABORATORIES	324	20
LIBRARIES/MUSIC ROOMS	15,000	30
LOCKERROOMS	1,960	25
OFFICES	1,200	8
OFFICES WITH CARPET	1,200	12
RESTROOMS	150	20
SHOPS/ART/HOME EC	1,200	30
STAIRWAYS	PER FLIGHT	8
TEACHERS’ LOUNGES/CAFÉ	1,200	20
AUDITORIUM	10,000	150
MULTIPURPOSE/GYM/CAFÉ	10,000	210
MULTIPURPOSE	2,400	40

*Note: The average standard can be adjusted to reflect actual sq. ft. proportional to the standard sq. ft. for an activity.

- Dividing the total number of minutes by the total work-hour minutes available (after adjusting by the off task time factor). The result is the number of personnel needed to clean the facility.
- Comparing actual and theoretical employee counts to determine if any staffing adjustments can be recommended.

The review team completed the above analysis for the Roselle Park School District to determine the staffing required to perform night cleaning and to establish daytime requirements for basic (statutory) boiler maintenance and porter services.

The district employs a cleaning staff of 15 full-time custodians. Allowing for one position per building for porter services and basic boiler maintenance, the staffing analysis utilized illustrates that the district employs five fewer custodians than the average recommended number of staff.

However, utilizing the *ASU* national median for square footage maintained per custodian of 21,429, the district is only slightly higher with an average of 27,890. The square footage in Roselle Park decreases even further when actual cleaning space is considered. LGBR estimates that actual cleaning space per custodian in Roselle Park is approximately 24,900 square feet which is a manageable and efficient number.

Cost of Operations

An additional tool used in the review process for identifying potential cost savings in the area of operational costs within the school district involves the following:

1. Perform a square footage analysis for the district and compare the cost per square foot against regional benchmarks and other school district reviewed by Local Government Budget Review teams. For regional benchmarking, the review team utilizes the *American School and University [ASU]*, a national publication for facilities, purchasing, and business administration. The *ASU* performs annual maintenance and operations surveys of school districts around the country. It provides reports on the cost to operate schools [including payroll, outside contract labor, gas, electricity, heating fuel, equipment and supplies, etc.] on a regional level. Region 2 includes New York and New Jersey.
2. Identify and analyze budget lines and accounts that appear to be high in relationship to regional benchmarks and/or similar school districts.
3. Provide areas for cost savings based upon programs and/or efficiencies identified in other school districts or municipalities that may be applicable in the district of review.

The following table summarizes the Roselle Park School District's cleaning, maintenance, grounds and utility costs per square foot for the 1999-00 school year:

CATEGORY	EXPENSE(\$)	EXPENSE (\$) SF	EXPENSE (\$) SF
	ROSELLE PARK	ROSELLE PARK	99-00 ASU
CLEANING			
Salaries	\$646,677	\$2.24	\$2.14
Overtime	\$21,691	\$0.08	\$0.00
Supplies	\$33,897	\$0.12	\$0.08
Contracts	\$0	\$0.00	\$0.00
Subtotal – Cleaning	\$702,265	\$2.44	\$2.22
MAINTENANCE			
Maintenance Salaries	\$216,797	\$0.75	\$0.58
Overtime	\$10,000	\$0.03	\$0.00
Supplies	\$76,385	\$0.26	\$0.25
Other Salaries*	\$163,742	\$0.00	\$0.00
Contracts	\$267,916	\$0.93	\$0.30
Misc.	\$19,527	\$0.07	\$0.07
Subtotal – Maintenance	\$754,367	\$2.04	\$1.20
Total Clean/Maint.	\$1,456,632	\$4.47	\$3.42
GROUNDS			
Salaries	\$40,991	\$0.14	\$0.24
Overtime	\$0	\$0.00	\$0.00
Supplies	\$24,467	\$0.08	\$0.07
Contracts	\$10,000	\$0.03	\$0.00
Subtotal – Grounds	\$75,458	\$0.25	\$0.31
UTILITIES			
Natural Gas	\$0	\$0.00	\$0.37
Electric	\$288,308	\$1.00	\$0.67
Water/Sewer	\$17,407	\$0.06	\$0.24
Other Fuel	\$0	\$0.00	\$0.27
Subtotal – Utilities	\$305,715	\$1.06	\$1.55
Total Grounds/Utilities	\$381,173	\$1.31	\$1.86
TOTAL Maint/Oper.	\$1,837,805	\$5.78	\$5.28
INSURANCE	\$35,459	\$0.12	\$0.11
GRAND TOTAL	\$1,873,264	\$5.90	\$5.39

Source: 1999-00 Comprehensive Annual Financial Report (CAFR)

*Salaries for technology maintenance staff have been mistakenly charged to these accounts. This amount has been excluded from the analysis.

The overall costs for plant operations for the Roselle Park School District are 8% higher than the average costs determined by the ASU survey. This is an acceptable variation, and given the age of the district facilities, the LGBR team feels that the district is to be commended in its ability to control costs in these areas.

In conclusion, LGBR found the school facilities to be past their useful “life” and extremely overcrowded, but cleaned and maintained in an efficient and effective manner.

TRANSPORTATION

A fundamental, and often controversial, component of school district budgets is that of providing a safe means for students to travel to and from school. The escalating costs associated with the safe and efficient transportation for New Jersey’s public and private school students has received increasing attention from the media, state and local officials, and taxpaying residents. There are numerous factors that can affect transportation expenditures including management’s knowledge of transportation; employee salaries and benefits; terms of negotiated agreements; privatization; competition for services; quality of route and vehicle specifications; geography; and board policies. The LGBR review process will examine the level of service provided to the students in the district, as well as the costs of such services.

The State of New Jersey provides aid to qualifying school districts under the provisions of State Statute 18A:39-1 through 25 which stipulates that elementary school pupils who live more than two miles from their public school or secondary pupils who live more than two and one half miles from their public school are entitled to transportation to and from school. In addition, the statute grants students attending a remote school other than a public school, operated not for profit, located not more than 20 miles from the pupil’s residence, transportation within the requirements of the New Jersey Administrative Code, Title 6:27-2 through 2.7. State statute requirements include restricting the cost of non-public transportation to a stated yearly amount (1997-98, \$675; 1998-99, \$702; 1999-00, \$707). If transportation cannot be provided for this amount or less, parents are reimbursed the legislated amount.

There are several terms utilized to differentiate between students whose transportation to and from school is an expense recognized as necessary, and therefore qualifying for state aid, and those students whose services are provided for reasons of safety or other local conditions or policies. Students who reside a qualifying distance from the school are said to live “remote from the school house” or are termed “eligible” referring to state aid requirements.

“Courtesy” busing is defined as transportation of students who reside two miles or less from the school for elementary grades and two and one half miles or less for the secondary grades. Under state guidelines, this transportation is unaided if provided. The term “courtesy” busing is used interchangeably by school districts with “safety” busing, “hazardous” busing, and “ineligible” students, again referring to state aid qualifications.

Roselle Park is a kindergarten through 12th grade district encompassing approximately 1.3 square miles. Due to the geographic size of the district, the transportation services offered are limited and specific.

District Operations

Services for regular to and from transportation and special education routes are out-sourced through joint transportation agreements with the Union County Educational Services

Commission (UCESC) and the Morris-Union Jointure Commission (MUJC). Students are transported to the Union County Vocational-Technical High Schools, the Union County Magnet High School, in-district special needs programs, and out-of-district placements.

Joint Transportation Agreements

The utilization of commissions and cooperatives is recommended as a source of efficiencies. Specializing in combining the needs of several districts into cost effective routes, the role of these consortiums in pupil transportation in the state has grown tremendously. The majority of these commissions and cooperatives write specifications, generate route packages, and handle the bid process for contracted route services. Management fees are charged based on the total cost of the routes. However, there are several commissions in the state that have purchased buses and are competing with the private contractors. The Morris-Union Jointure Commission has opted to run an in-house fleet. Just as privatization should not always be viewed as a quick fix for all district transportation problems, cooperative services are not always the most cost-effective method for attaining routes. In order for both of these to be effective, care must be taken in both the presentation of the information and supervision of the final product.

The strategy of “tiering” bus routes is one of the methods utilized to increase efficiency and save transportation monies. Transportation efficiency in a public school district can be defined as “equal or improved services for fewer dollars.” When runs are combined or tiered, each vehicle is assigned to a group of runs, thereby utilizing the vehicle for as many hours during the day as is possible, without compromising instructional time. The basic principal of this efficiency is:

Yearly vehicle operational costs, i.e., lease or amortized cost, repair parts and labor, and insurance expense are stable, regardless of how many trips the vehicle is assigned to during the course of the year (excluding fuel, driver salaries, benefits, etc.).

When these operational costs are applied to Vehicle A for Year 1 at \$15,000 and that vehicle is assigned to only an elementary school run throughout the school year, then the operational costs for that bus run become \$15,000. Assuming that the bus was a 54-passenger vehicle and that it held a full student load, the operational per pupil cost would be \$277.78. The same vehicle assigned to runs for a high school, middle school, and elementary school in the morning and afternoon produces a per run cost of \$5,000 or \$92.60 per pupil.

The successful preparation of “tiered” bus runs requires bell schedules sufficiently spaced to allow buses to pick up a full load of students in between trips to the schools. The bell schedules in Roselle Park are aligned to accommodate both the academic day and the successful “tiering” of the bus runs.

However, an analysis of the District Report of Transported Resident Students (DRTRS) and billing from the MUJC, demonstrates that three in-district runs for special needs students are charged by the commission separately, but are actually being run by one bus and driver. The district pays for three routes, instead of one three-tiered route. The combined cost for these three routes was \$45,442 for the 1999-00 school year and \$60,413 for the 2000-01 school year. The

student totals for these runs were 28 in 1999-00, and 17 in 2000-01 or a per pupil cost of \$1,623 in 1999-00 and \$3,554 in 2000-01. Comparable tiered routes have a statewide average value of \$36,000.

Recommendation:

LGBR suggests that the district correspond with MUJC to insure that actual transportation expenses for commission bus routes are adequately documented and fairly apportioned. LGBR further recommends that commission costs be compared to those of a contracted service, and that expenditures be brought in line with the statewide average of \$36,000.

Cost Savings: \$24,400

Courtesy Busing

Courtesy busing is defined as transportation provided for students who do not meet the state profile for eligible students to and from school. In Roselle Park where students are able to utilize sidewalks to and from school and cross busy streets with the aid of crossing guards, courtesy busing is not an issue.

Non-Public Transportation

Students attending private or non-public school are entitled to transportation under the same statute and guidelines that govern public school student transportation, i.e., elementary school pupils who live more than two miles from their school or secondary pupils who live more than two and one half miles from their school are entitled to state aided transportation. However, in a district the geographic size of Roselle Park, where there are no regular public school students eligible for transportation, the school district is under no obligation to bus non-public students, pursuant to N.J.S.A. 18A:39-1, regardless of the distance from their homes to the private schools.

FOOD SERVICE

An extensive review of the food services program was conducted by LGBR. Interviews were conducted with the school business administrator and the food services director. The team visited each of the five school facilities and observed operations. Documents relating to food service, purchasing and payroll, the Comprehensive Annual Financial report (CAFR), and the Audit Management Report for 1998-99 and 1999-00 school years were reviewed.

The Roselle Park School District maintains a separate “enterprise fund” to record the financial records of its food services program rather than recording food finances within the general fund of the budget. Statutory guidelines require this when state and or federal funds are received or fees are collected from students for meals served. This accounting arrangement shows that the cost of providing goods and services are financed through user charges. The following table depicts the actual profit and loss during the 1998-99 and 1999-00 school years for the food service program.

**Comparison of Food Services Operating Expenses versus Revenue
1998-99 and 1999-00**

Roselle Park School District	1998-99	1999-00
Local Sources:		
Daily Sales – Reimbursable Programs:	\$0	\$0
School Lunch Program	\$242,421	\$252,829
Special Milk Program	\$0	\$0
Daily Sales Non-reimbursable Program's	\$0	\$0
Community School (Tuition)	\$0	\$0
Special Functions	\$0	\$0
Miscellaneous	\$0	\$0
Total Operating Revenue	\$242,421	\$252,829
Non-operating Revenue:		
State Lunch Program	\$8,069	\$7,593
National School Lunch Program	\$104,754	\$100,882
Special Milk Program	\$0	\$0
USDA Commodities	\$0	\$0
Interest	\$0	\$0
Service Organization Contribution	\$0	\$0
Operating Transfers in - General Fund	\$0	\$0
Board Reimbursement	\$68,000	\$76,600
Total Non-operating Revenue	\$180,823	\$185,075
Total Income	\$423,244	\$437,904
Operating Expenses:		
Salaries	\$189,518	\$195,436
Benefits	\$0	\$0
Repairs and Other Expenses	\$0	\$6,109
Supplies and Materials	\$18,620	\$15,422
Administrative Fee	\$0	\$0
Management Fee	\$21,000	\$19,791
Miscellaneous	\$9,739	\$17,143
Cost of Sales	\$166,958	\$167,605
Insurance	\$19,719	\$7,338
Total Operating Expenses	\$425,554	\$428,844
Net Income	\$(2,310)	\$9,060
Retained Earnings July 1	\$14,380	\$12,070
Retained Earnings June 30	\$12,070	\$21,130

The district receives USDA commodities to supplement the food service program. However, the total dollar amount received under nonoperating revenues is not identified on Exhibit F-2 on the Comprehensive Annual Financial Report.

Recommendation:

LGBR suggests the district identify the dollar amount of USDA commodities under nonoperating revenues in future CAFR's.

The cafeteria account incurs a \$15 monthly maintenance fee by the bank. Although the district receives interest on this account, the team feels that the district should negotiate with the bank to receive a maintenance-free checking account.

Recommendation:

LGBR suggests the district negotiate with its current bank to have the \$15 monthly maintenance fee waived on the cafeteria checking account.

Cost Savings: \$180

The Roselle Park School District has employed a private food service program for longer than 10 years. During the past four years, the food service operation has been assisted by board contributions. From the 1995-96 through the 1999-00 school years, the district has contributed \$55,426, \$73,000, \$68,000, and \$76,600 respectively.

Prior to the current private food provider, the district contracted with another contractor for many years. The current operator's contract was awarded for three one-year terms, which expires June 30, 2001.

A productivity rate measures the operating productivity during work hours. The meal per labor hour is calculated by taking the total meals served daily divided by the average daily work hours of the cafeteria workers. The average meal per labor hour for the district's food service operation is 15. This number is based on data derived from the district's operating statement. The average meal per labor hour for the industry market is 15, which indicates that the district is operating at optimal productivity during work hours.

Staffing for the food service program includes two foodservice directors and 15 employees. The district operates two production kitchens and three satellite kitchens. One food service director supervises the high school and three elementary schools satellite kitchens. Another food service director supervises the middle school kitchen. A member of the district's maintenance staff delivers the food to the satellite kitchens. A portion of the employee's salary should be charged against the enterprise fund.

The district employs eleven aides to supervise the elementary school lunch periods. The Aldene School uses three aides, the Gordon school uses five aides, and the Sherman school uses three aides. Salaries for the cafeteria aides range from \$8 to \$9 per hour with no benefits. The estimated annual cost of the eleven district aides is \$40,000. The aides work approximately two hours each day. Teachers receive a stipend of \$12 per day to supervise the middle school and the high school lunch periods.

Recommendations:

The team recommends that a portion of the salary for the maintenance employee supporting the food service program be charged against the enterprise fund.

LGBR feels that the number of students/meals served at the middle school does not warrant a full-time director position. Similar sized school districts have one full-time director who supports more than one production kitchen using a rotating site appearance at each production kitchen.

Cost Savings: \$17,000

The current lunch prices in the district are \$1.75 in the elementary school, \$1.90 in the middle school, and \$2.05 in the high school with \$.40 for milk. These prices have been in effect for one year. State guidelines allow for the district to charge \$1.85 at the elementary school, \$2.00 at the middle school and \$2.25 for the high school level. If the district were to raise its prices to match state guidelines, the district would generate approximately \$9,115 additional revenue based on the 1998-99 current paid lunches.

Recommendation:

LGBR suggests that the enterprise fund should be self-sustaining. Any contribution made by the board should only be to cover unforeseen deficits. During the 1998-99 and 1999-00 school years, the board subsidized the lunch program by \$68,000 and \$76,600 respectively. The district should consider raising lunch prices in the near future to reflect the current state guidelines and to help lower subsidized costs.

Revenue Enhancement: \$9,115

The district is beginning to experience large downtime losses on the equipment that services the food service program. The major equipment in the two production kitchens is approximately 30 years old. The 1999-00 Comprehensive Annual Financial Report (CAFR) indicates that the district has \$21,130 in retained earnings.

Recommendation:

The team recommends that retained earnings be used to purchase new equipment in priority order as needed.

One-time Value Added Expense: \$21,130

During the 1999-00 school year, the district entered into an agreement with a major soft drink supplier for supplemental vending machines. The district was given \$100,000 to purchase high school athletic equipment and upgrade the athletic fields in exchange for approximately 22 carbonated drink vending machines with automatic timers to come on after the close of the school day, evenings, and weekends. The machines are placed around the elementary, middle, and high schools. The district receives 15% of every \$.75 and \$1.00 collected as commission on each full-service vending machine sale. The district is paid on the 20th of each month from the soft drink supplier.

Recommendation:

LGBR feels that the district will benefit from this agreement. Based on student enrollment data for the middle and high schools, it would take approximately 9 ½ years for the district to generate an estimated profit of \$100,000. Because the high school fields are the primary fields used by the township's recreation program, as well as the district's inter-scholastic program, increased public purchases from the vending machines should cut in half the time needed by the district to generate \$100,000 profit. However, the monies already paid by the supplier have served the district well. The district is commended for obtaining these funds.

The following table compares major expenses associated with the district's food service operation to total income. These dollar values are also shown as percentages. The percentages are compared against percentages of benchmark food service cost ranges provided by a New Jersey food service company.

**1999-00 Comparison of
Food Service Expenses versus Income**

Roselle Park	1999-00	% Cost Range vs. Income Market Rate	
Total Income	\$437,904	100%	100%
Salaries and benefits	\$195,436	45%	40%-45%
Supplies and materials	\$15,422	4%	4%-5%
Cost of Sales	\$167,605	38%	39%-45%
Repairs/Other Expenses	\$0	0%	2%-5%

The analysis of the above table indicates that total major operational costs for Roselle Park food services were within normal market rate ranges for all categories.

Recommendation:

The district should continue efforts to obtain a self-sustaining food service program under a private management company. The district should continue to seek competitive managerial contracts in the future to increase productivity and earnings.

III. COLLECTIVE BARGAINING ISSUES

An area that frequently presents significant opportunities for savings is negotiated contracts. While they represent opportunities for savings, the savings and contract improvements are most likely to occur incrementally through a well-conceived process of redeveloping compensation packages to be equitable and comprehensive. For this reason we present those issues subject to collective bargaining agreements separately in this section.

Central Office Support Staff

Some items in negotiated contracts may offer school districts opportunities for future savings. Contract improvements occur in increments through the process of redefining policies to be equitable and cost effective. Roselle Park's central office confidential secretarial support staff follow the same negotiated contract as that of the secretaries in the schools. This negotiated agreement was recently adopted for three years, effective July 1, 2000. Any recommended changes should be considered in the future.

Negotiated Agreement

The LGBR team learned that the central office staff does not have an agreement describing retirement, unused vacation, unused sick time, compensation time off, and overtime stipulations to be provided by the board of education.

Recommendation:

LBGR recommends the district consider formalizing an agreement which stipulates the long term employment rights and benefits of central office staff. All employees should have their working conditions described in writing.

Elementary Lunch Supervision

According to the negotiated agreement, elementary school teachers are assigned school lunch supervision on a rotating schedule without additional compensation. Any teacher, if needed, who volunteers for school lunch time supervision during his/her duty-free lunch period will be compensated at a rate of \$12 per half-hour. According to the agenda minutes of September 19, 2000, however, LGBR became aware that the district does not rotate the school lunchtime supervision without additional compensation, but awards approximately two teachers per elementary school a stipend to cover the lunch periods for the entire year. The district stated that it had difficulty finding teachers who wanted to cover the lunch duty. However, by negotiated agreement providing cafeteria supervision is a required component of the teacher's contract. The approximate annual cost for the teacher's stipends was \$22,300.

Recommendation:

LGBR recommends that the district implement the negotiated agreement for elementary lunchtime supervision at no cost to the taxpayers.

Potential Cost Savings: \$22,300

Personal Days

Central office staff receives three personal days per year, which can be accumulated as sick days if unused at the end of the year.

Recommendation:

LGBR recommends the district revise policy whereby employees use personal days during the year or forfeit the unused days.

Vacation Days

Vacation schedules entitlements for all 12-month employees are as follows:

1 year service	Accrue one day for each month worked
5 years service	15 days
11 years service	16 days
11-14 years service	16 days + 1 additional day each year
15 years service	20 days
20 years service	25 days

The negotiated agreement through June, 2000 did not stipulate the maximum number of vacation days employees can accumulate for payback purposes upon retirement.

Recommendation:

The purpose of vacation time is to provide for rest and relaxation away from one's job responsibilities in order to return to work with increased enthusiasm and effectiveness. The district should consider negotiating limits on payback for unused accumulated vacation days for retirement purposes.

Health Benefits

Employees who work 20 hours per week qualify for benefits the same as other employee groups. New rules adopted by the State Health Benefits Commission on September 21, 1995 effective October 16, 1996 now permit school districts to set a higher standard before an employee is considered "full-time" and eligible for benefits.

Recommendation:

It is recommended that the district review this issue and consider implementation for future employees.

Sick Days

At retirement from the district with 15 or more years of service, central office employees are reimbursed for unused accumulated sick leave at a rate of \$20 per day not to exceed \$3,000.

Negotiated Agreement - Health Benefits

During the time that LGBR was in the district, the Roselle Park School board had entered into a two-year contract with a new broker for health services. The service contract went into effect June 1, 2000. The former broker had served the district for more than 10 years. Prior to these brokerage services, the board of education participated in the State Health Benefits Plan for health coverage provisions.

Interviews were conducted with the former insurance broker, the interim business administrator, and the newly hired school business administrator. The LGBR team then reviewed the proposal packages of the former and current broker. This analysis concluded that the former broker's proposal included a 5% increase over the 1999 rates with a \$22,000 commission built into the proposal. The current broker's proposal did not list all of the components of the proposed premiums. The team felt that it could not make a valid comparison of broker costs since some components were not included in the new agreement. One way to secure clear definition of costs is to issue a request for proposals for a fee for service basis.

The district is part of a managed care health plan. The health plan is provided by the board of education at no cost to the employees. Many private companies are charging employees a portion of health care costs because of the large rate increases that have taken place recently in insured health care costs.

The estimated annual cost of the entire health benefits package for the Roselle Park Schools is \$1,400,000. Approximately 264 employees participate in the plan with 70% of them having other than single coverage. This coverage is estimated to cost \$950,000. The prescription plan costs about \$228,000. The dental plan is estimated to cost \$222,000.

The review team compared the costs of the district's plan under the managed care health plan to the state's health benefits plan. The analysis indicated that if the district is willing to negotiate plan changes by increasing employee contributions, which limit the board of education's costs, the district could save money by using the state plan as its health plan provider. The district could save an estimated \$92,000 if they negotiated an employee premium co-pay of 20% of dependent's cost. The savings could be increased by \$114,000 if employees were required to pay 50% of prescription costs. The dental plan was estimated to cost \$222,000 in 2000. If the district were successful in negotiating a 50% premium co-pay with its employees, it would save an estimated \$111,000 in dental premiums.

Recommendations:

LGBR recommends that in future insurance negotiations the district secure health benefit coverage on a fee for service contract basis for services rendered. Fee for service contracts list all cost components of proposed premiums. Additional details in the cost analysis can be a better-informed purchasing decision.

LGBR encourages the district to compare the costs and the coverage of its current health benefits coverage and to consider negotiating a 20% co-pay of dependent coverage to realize a savings in its health insurance premium.

Potential Cost Savings: \$92,000

LGBR recommends that the district negotiate a 50% premium co-pay for its prescription plan.

Potential Cost Savings: \$114,000

The district is encouraged to negotiate a 50% premium sharing for dental benefits.

Potential Cost Savings: \$111,000

IV. SHARED SERVICES

Tremendous potential for cost savings and operational efficiencies exist through the implementation of shared, cooperative services between local government entities. In every review, Local Government Budget Review strives to identify and quantify the existing and potential efficiencies available through the collaborative efforts of local officials in service delivery in an effort to highlight shared services already in place and opportunities for their implementation.

The Regional Efficiency Development Incentive (REDI) Program, a joint program of the NJ Department of Community Affairs and the New Jersey Department of Education, provides state financial assistance in the form of grants, loans, or a combination of grants and loans to study, develop and implement regional service or consolidation opportunities and to fund one-time start up costs for those purposes. Types of assistance available are:

Feasibility Studies – the state will pay up to the first \$15,000 of study costs; for costs that exceed \$15,000, the state will pay 90% and a local cash match of 10% will be required.

Implementation Assistance – start up, transition, and implementation costs for new or expanded shared services or the consolidation of local units. The first \$100,000 will be REDI Grant funds; and, all assistance above that amount will be in the form of loans.

REAP, the Regional Efficiency Aid Program reduces property taxes in those municipalities where their local officials start new shared services programs. REAP utilizes a formula based on type of service, percent of the budget, and the population of the community. The cost savings results generate state-funded property tax relief that directly lowers the property taxes of homeowners in the participating communities.

Interested parties may contact the Regional Efficiency Website at www.state.nj.us/redi or call the DOE at (609) 633-2454 for general information, applications, and instructions for these programs.

Recommendation:

LGBR recommends that the Roselle Park Board of Education explore with the municipal government ways to increase shared services. Attention should be given to the possibility of REDI grants to provide the resources to aid the community in this joint search for efficiency and savings in tax dollars. The Board of Education should contact the New Jersey Department of Community Affairs (DCA), Division of Local Government Services for information about these two programs.

LOCAL GOVERNMENT BUDGET REVIEW ACKNOWLEDGMENTS

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